



CITY OF XENIA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016**

PREPARED BY THE FINANCE DEPARTMENT



Grand Opening of Splash Pad at Xenia Station



Dave Yost • Auditor of State

City Council
City of Xenia
107 East Main Street
Xenia, Ohio 45385

We have reviewed the *Independent Auditors' Report* of the City of Xenia, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 30, 2018

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CITY OF XENIA, OHIO

GREENE COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2016**

Prepared by:
Department of Finance

Mark A. Bazalak
Finance Director

Jason Lake
Assistant Finance Director

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Finance Technician

Michelle Johnson
City Clerk



CITY OF XENIA
GREENE COUNTY, OHIO

I

INTRODUCTORY SECTION

A	Letter of Transmittal	v
B	List of Principal Officials	xii
C	City of Organizational Chart	xiii
D	Finance Department Organizational Chart	xiv

II

FINANCIAL SECTION

A	Independent Auditor's Report	1
B	Management's Discussion and Analysis	5
C	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position	18
	Statement of Activities	20
	Fund Financial Statements:	
	Governmental Funds:	
	Balance Sheet	22
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	24
	Statement of Revenues, Expenditures and Changes in Fund Balances	26
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
	Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis):	
	General Fund	29
	State Gas and Vehicle Fund	30
	Police and Fire Fund	31

CITY OF XENIA, OHIO

Proprietary Funds:

Statement of Assets and Liabilities	32
Statement of Revenues, Expenditures and Changes in Fund Net Position	36
Statement of Cash Flows	38

Fiduciary Funds:

Statement of Assets and Liabilities	42
Notes to the Basic Financial Statements	43

Required Supplemental Information:

Schedules of the City's Proportionate Share of the Net Pension Liability	89
Schedules of the City's Pension Contributions	90

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	97
Combining Balance Sheet - Nonmajor Special Revenue Funds	98
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	100
Combining Balance Sheet - Nonmajor Debt Service Funds	102
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	103
Combining Balance Sheet - Nonmajor Capital Projects Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	105

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

Major Governmental Funds:

<i>General Fund</i>	106
---------------------	-----

Special Revenue Funds:

State Gas and Vehicle License Fund	112
Police and Fire Fund	113

Capital Projects Funds:

Capital Improvements Fund	115
2015 Bond Construction Fund	116

CITY OF XENIA, OHIO

Nonmajor Governmental Funds:

Special Revenue Funds:

Indigent Driver Alcohol Treatment Fund	117
Law Enforcement and Education Fund	118
Probation Services Fund	119
State Route Repair Fund	120
City Motor Vehicle License Tax Fund	121
County Motor Vehicle License Tax Fund	122
Special Miscellaneous Improvements Fund	123
Tax Increment Equivalent Fund	124
911 Fund	125
Law Enforcement Fund	126
Drug Law Enforcement Fund	127
Municipal Court Victim Fund	128

Debt Service Funds:

General Obligation Bond Pay Fund	129
2015 General Obligation Bond Retirement Fund	130

Capital Projects Funds:

Municipal Court Improvements Fund	131
Issue II Fund	132
Police/Fire Capital Fund	133

Nonmajor Enterprise Funds:

Statement of Net Position	135
Statement of Revenues, Expenses and Changes in Net Position	136
Combining Statement of Cash Flows	137

Internal Service Funds:

Statement of Net Position	139
Statement of Revenues, Expenses and Changes in Net Position	140
Combining Statement of Cash Flows	141

Fiduciary Funds - Agency Funds:

Combining Statement of Changes in Assets and Liabilities	143
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III **STATISTICAL SECTION**

Net Position by Component - Last Ten Years	S 2
Changes in Net Position - Last Ten Years	S 4
Fund Balances, Governmental Funds - Last Ten Years	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years	S 10
Income Tax Reveneues by Source, Governmental Funds - Last Ten Years	S 12
Income Tax Collections - Current and Seven Years Ago	S 14
Ratio of Outstanding Deby by Type - Last Ten Years	S 16
Ratios of General Bonded Debt Outstanding - Last Ten Years	S 18
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year	S 20
Debt Limitations - Last Ten Years	S 22
Demographic and Economic Statistics - Last Ten Years	S 24
Principal Employers - Current Year and Eight Years Ago	S 26
Principal Prooperty Tax Payers - Current Year and Five Years Ago	S 27
Full Time Equivalent Employees by Function - Last Ten Years	S 28
Operating Indicators by Function - Last Ten Years	S 30
Capital Asset Statitstics by Function - Last Ten Years	S 32
Capital Asset Value by Function - Last Ten Years	S 34

I

INTRODUCTORY SECTION



DEPARTMENT OF FINANCE

107 E. Main Street • Xenia, OH 45385 • Phone (937)376-7241 • Fax (937) 347-1606

March 16, 2018

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, 2016, 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 independent auditors report.

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.

Auditor of State

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 was assigned an independent certified public accounting firm, who will perform the City's audits for the fiscal years 2016-2020. The firm that was awarded the RFP was Plattenburg & Associates, Inc. The auditors' unmodified opinion is included in the Financial Section of this report.

Single Audit

If \$750,000 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 2 CFR Part 200 (Uniform Guidance). The City's expenditures of federal awards in 2016 did not require that a single audit be performed.



DEPARTMENT OF FINANCE

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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.

GOVERNMENT PROFILE

Xenia is a City of nearly 26,000 located in southwest Ohio. Xenia was founded in 1803, incorporated in 1817, and became a city in 1834. The legislative authority is comprised of one Mayor and six City Council Members. A City Manager, Finance Director, and Law Director are appointed by the legislative authority and are responsible for day-to-day administration. 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; development functions; and recreational activities.

Budget

According to the City Charter, City Council must provide a list of project priorities to the City Manager prior to July 1st of each year. The City Manager must then submit a budget for the ensuing fiscal year on or before October 31st. The Council will then review and discuss the budget with staff and amend the proposed budget. The City must then publish notice that the budget is available for inspection by the public and specify a time and place for a public hearing on the budget. After the hearing has been held Council may make amendments if they desire to do so and adopt the budget. The budget must be adopted prior to April 1st of the fiscal year covered by the budget.

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, capital outlay, and debt service 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 those levels established in the appropriation ordinance. Such transfers must be made by amending the ordinance. 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 the City's funds are included in the appropriations budget. The City's budget accounts 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 carryover at year-end and are re-appropriated as part of the following year's budget.

ECONOMIC CONDITIONS

Local Economy

The City is seeing some improvement in the local economy. Unemployment in the City fell from 8.0% in 2012 to 6.9% in 2013 to 5.2% in 2014 and again in 2015 to 5.1%. In 2016 the rate dropped for a sixth straight year to 5.0%. Attracting higher paying jobs has proven to be difficult. A majority of households in the City had taxable income of less than \$20,000 in 2016, which speaks to the need to improve the City's tax base. Despite challenges with the income demographic, the City's financial outlook is positive. There were concerns of a significant deficit in 2016, but the City worked diligently at cutting costs, primarily through attrition and leaving positions that became open in Fire and Police vacant, as a preemptive measure, rather than being forced to lay off staff later in the year if the financial outlook had not improved. The combination of these strategic moves and an increase in income tax collections actually led to a positive cash flow of close to one million dollars. The passage of an income tax levy in 2010 has helped to bring some financial stability to the organization, but reductions to local government funds have caused financial strains on the City. The City's cash reserve decreased in 2014 and 2015 as a result of these changes by the State. The City holds an A-1 bond rating from Moody's, which has allowed the City access to low interest rate financing options for a variety of purposes. The City's reserve fund balance, quality management strategies, and a low debt ratio helped preserve an attractive bond rating.

Long-Term Financial Planning

While recent income tax growth has most certainly improved the City's financial situation, administration recognizes numerous challenges in the coming years. The State has continually tweaked local income tax law and being that income taxes are the City's most important revenue source, there is a certain level of unrest. Other major concerns include the cost and regulation of health care, income demographics, increasing service demands, attracting and retaining quality employees, and improving an aging infrastructure. The City continues to pursue partnerships and joint service ventures in which parties can benefit from improved services and reduced costs. The City currently provides dispatching services to multiple agencies throughout the County. The City also provides Fire and EMS services to Central State University. These joint service ventures with the County, other Cities, Townships, and Universities are bringing value to Xenia residents and others throughout the County.

The City continues to focus on economic development and has launched "ED 360," a comprehensive set of strategies aimed at encouraging investment in Xenia. The plan focuses on areas such as workforce development; quality education and healthcare; marketing, branding, and image enhancement; business retention and expansion; and housing and neighborhood revitalization; just to name a few. The City offers multiple incentives such as an income tax rebate program and has an established Community Reinvestment Area (CRA) program. The City currently utilizes rural enterprise zone agreements, which give partial tax abatement for real property taxes. The City is seeking 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 been developed is the OVCH South Industrial Park. The City has two certified shovel-ready sites that have spurred significant interest from several companies. Development of

these industrial sites would mean job creation and improvements in the tax base that would be very meaningful.

The City's infrastructure is in need of great repair, and the passage of an income tax levy in 2010 to fund capital improvement projects began addressing those needs. 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 was awarded several grants during 2015-2016 that will greatly improve some major infrastructure pieces, including the Hospitality & Main intersection, segments of Lower Bellbrook, and a portion of Detroit St.

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 State's Issue 2 and Local Transportation Improvement Programs have helped to fund 24 such projects totaling \$7,072,209 since their inception.

Relevant Financial Policies

The City has a policy to maintain at least a two-month operating reserve in its key operating funds. It is also expected that the key operating funds have a positive cash flow. That is, operating revenues should exceed operating expenses in those funds. To comply with these expectations, management has taken action and made tough decisions including the elimination of several positions. The City approves financial policies each year in conjunction with budget review and approval. These policies have allowed the City to meet all its obligations, maintain a respectable bond rating, and sustain a balance that can be utilized in the case of emergency. The City also has a debt policy, investment policy, and a local preference ordinance. A number of other policies such as those identified in the City's purchasing manual are in place to ensure compliance with the City Charter and State law and to maintain adequate internal controls.

MAJOR INITIATIVES

For 2016

City Facilities – The new City Administration Building was completed and many services were relocated to the new site. The City Manager's office, Finance Department, Development Department, Planning and Zoning Department, Human Resources, and Accounts Receivable Departments were all moved to the new building. The new Administration Building makes getting a permit, engaging in a tax consultation, or paying a utility bill a much more pleasant and convenient experience. More professional presentations of lobbies and conference rooms also give staff an edge as they meet with those considering investment in Xenia. The space vacated at the former City Hall is being renovated to better accommodate the City Police Division, Law Department, Dispatch Center, Municipal Court, and Probation. The facility will now be known as the Justice Center. The City also connected several more of its facilities via fiber improving the reliability of the network and reducing dependence on third parties for the service. The fiber project also reduces annual costs for service.

Street Improvements – The City continued its annual street rehab program. The City paved Hollywood Blvd. (Purcell to Island), Thornhill St. (S. Detroit to Ormsby), Smith Dr. (Weaver to Sutton), Saxony Dr. (Hamlet to Cul-de-sac), Bowman Dr. (Kylemore to Ridgebury), Bowman Dr. (Ridgebury to Kylemore), Gayhart Dr. (Atkinson to Commonwealth), Gayhart Dr. (Commonwealth to Nebraska), Gayhart Dr. (Nebraska to Cul-de-sac), Hamlet Dr. (Marshall to Doral), E. Church St. (Columbus to Patton), Ledbetter Rd. (U.S.42 to Mt. Vernon), W. Second (W. Second to W. Main), Whiteman St. (E. Second to E. Main), and Lucas Dr. (Weaver to Smith). The work also included ADA ramps and curbing on E. Church St.

Towne Square Redevelopment – The City purchased a building essentially buying out a lease on a piece of property owned by the City in the downtown. The City has demolished the building, which held little value, and is working with a developer to repurpose the site. A purchase agreement has been executed and the sale will be completed as environmental issues are adequately addressed at the site. Both the City and the developer are anxious to begin a redevelopment that will greatly enhance the Towne Square.

Parks Improvements – The City issued bonds and began improvements at three City parks. A splash pad and new play area were installed at Xenia Station. These improvements have been welcomed with great enthusiasm. Pedestrian bridges and a new Frisbee golf course were installed at Sol Arnovitz Park, and a new basketball court, shelter, and walking path were installed at Sterling Green Park.

Land Development Code – The City engaged in a complete rewrite of its Land Development Code. This was a comprehensive process that involved public input and a series of joint sessions involving the Xenia Planning and Zoning Commission, the Board of Zoning Appeals, and the Xenia City Council. The rewrite rezoned more than 4,400 parcels, enhanced flexibility, improved the fairness and defensibility of the code and made it easier to do business in Xenia.

Other Items to Note – The City authorized a Community Reinvestment Area agreement for a new hotel. The hotel will improve hospitality accommodations and encourage tourism here in Xenia. The City was also awarded a HOPE VI grant for the rehabilitation of a downtown building into apartment units. The City hopes this will spur residential development in the downtown area. The City awarded a contract for retail consulting in 2016. While the City has seen some increase in new retail activity over the past few years, substantial deficiencies remain in our current retail environment that force Xenia residents and those attending events in our community to shop, dine, and stay in neighboring jurisdictions. A retail consultant can play a part in developing and implementing a successful retail recruitment strategy, which will expand the diversity of retail services and amenities available in our community.

For the Future

City Facilities – Renovations of the City’s Justice Center will be completed in 2017. The City’s Municipal Court will expand to utilize the entire top floor of the building. The City Police Division will gain much needed space in moving administrative offices, records, and the detective section to the main floor of the building. Much needed improvements to locker rooms and the booking area are being completed in the basement. The dispatch center has also been expanded in the basement accommodating the increased staffing needed as the City acquires contracts to provide dispatching services to other entities. The Law Department will move to the main floor and have additional space, which was greatly needed for their operation.

Street Improvements – The City will continue its annual street program in 2017. It is estimated that by the end of 2017, the City will have paved approximately 25% of its lane miles since approval of a levy in 2010. That levy committed \$500,000 annually to be spent on streets. The City is using its local funding for streets to leverage grant dollars to maximize the value of local resources. A much needed project will be completed in 2017 at the intersection of US 35 and Hospitality Drive. The ODOT-funded project will enhance access at this highly trafficked intersection while improving safety. The City has also acquired ODOT funding to pave a portion of Lower Bellbrook between Colorado Dr. and Maumee Dr. That paving should be completed in 2017. An Issue II application to pave S. Progress Drive has also been accepted. Perhaps the most significant paving project will occur in the heart of the downtown. A safety project, which includes paving Detroit Street through downtown, has been approved and will begin in 2017. Traffic lanes will be adjusted, protected bike lanes installed, traffic signalization will be modified, and pedestrian crossing improvements added. The project will make our downtown a safer place for pedestrians, bicyclists, and those operating motor vehicles as well. The project includes a grant for more than 1.2 million dollars.

REACH Project – The City began conversations with various stakeholders several years ago to address recreation programming here in Xenia. Out of those conversations a project has developed in which a group of partners including the City, the YMCA of Greater Dayton, the Adult Recreation and Services Center, Central State University, Clark State University, and the Kettering Health Network will build a new multi-use facility here in the Xenia community. The project will replace an outdated YMCA and Adult Recreation Services Center, expand access to higher education in the community, and keep important medical services here in Xenia for many years to come.

Other Items to Note – The City was awarded a SAFER grant, and in late 2017, the daily staffing of its Fire Division will increase by one full-time employee. This is an important grant and service enhancement as call volumes continue to escalate. The development of new housing units in Xenia, specifically in the Sterling Green subdivision, are significant and occurring in greater numbers than any time in recent past. New subdivisions are being approved as our City continues to grow. The City has liability for post closure care costs related to the City’s landfill, which has been closed for a couple of decades now. The City is working with the Ohio Environmental Protection Agency to ensure compliance with environmental regulations. The City is planning for significant expenditures related to gas migration and groundwater monitoring issues. These expenditures are being incorporated into the sanitation rate model.



DEPARTMENT OF FINANCE

107 E. Main Street • Xenia, OH 45385 • Phone (937)376-7241 • Fax (937) 347-1606

ACKNOWLEDGMENTS

The preparation of the comprehensive annual financial report 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,

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

Ryan Duke
Finance Director



CITY OF XENIA, OHIO

***List of Principal Officials
For the Year Ended December 31, 2016***

CITY COUNCIL

Michael Engle	President
Wesley Smith	Vice President
Marsha Bayless	Mayor
Sarah Mays	
Dale Louderback	
Dr. Edgar Wallace	
Jeanne Mills	

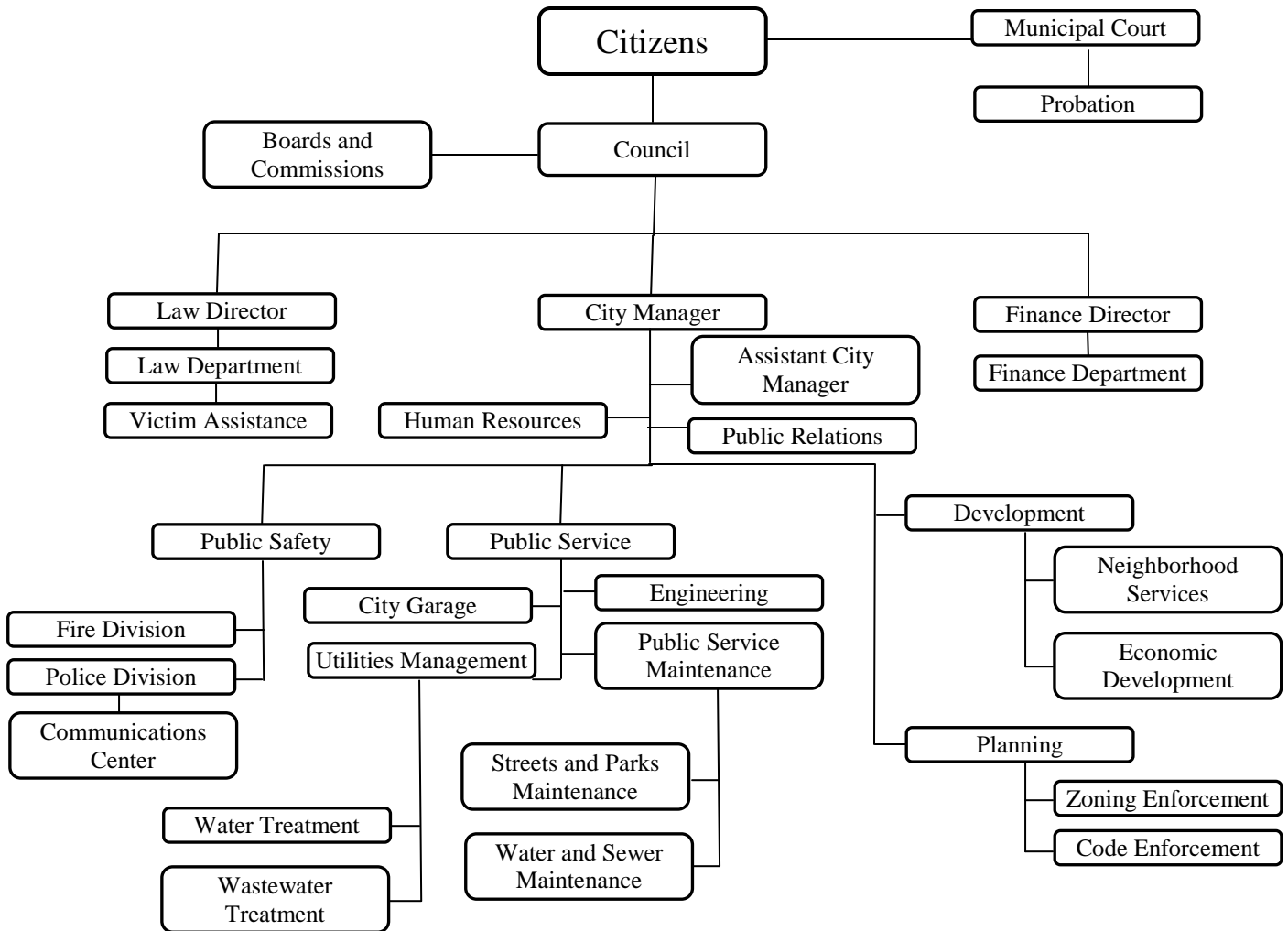
APPOINTED OFFICIALS

Josh Schierloh	Law Director
Mark A. Bazalak	Finance Director
Brent W Merriman	City Manager

DEPARTMENT OF FINANCE STAFF

Mark A. Bazalak	Finance Director
Jason Lake	Assistant Finance Director
Diana Steck	Accounts Receivable Manager
Edgar Cardenas	Information Technology Manager
Keith Padgett	Systems Administrator
Matt Lee	Network Administrator
Brandon Board	IT Technician
Michelle Johnson	City Clerk
Denise Estle	Finance Technician/Finance
Mary Ann Richardson	Finance Clerk/Accounts Payable
Bill McCarthy	Finance Clerk/Payroll
Dennis W. Evans	Finance Clerk/Accounts Receivable
Amy Lee	Finance Clerk/Accounts Receivable
Angela Ferrero	Finance Clerk/Accounts Receivable
Amanda Test	Finance Clerk/Accounts Receivable
Janette Reedy	Finance Clerk/Accounts Receivable
Amber Reed	Finance Clerk/Accounts Receivable
Julie Willis	Finance Clerk/Accounts Receivable

CITY OF XENIA, OHIO

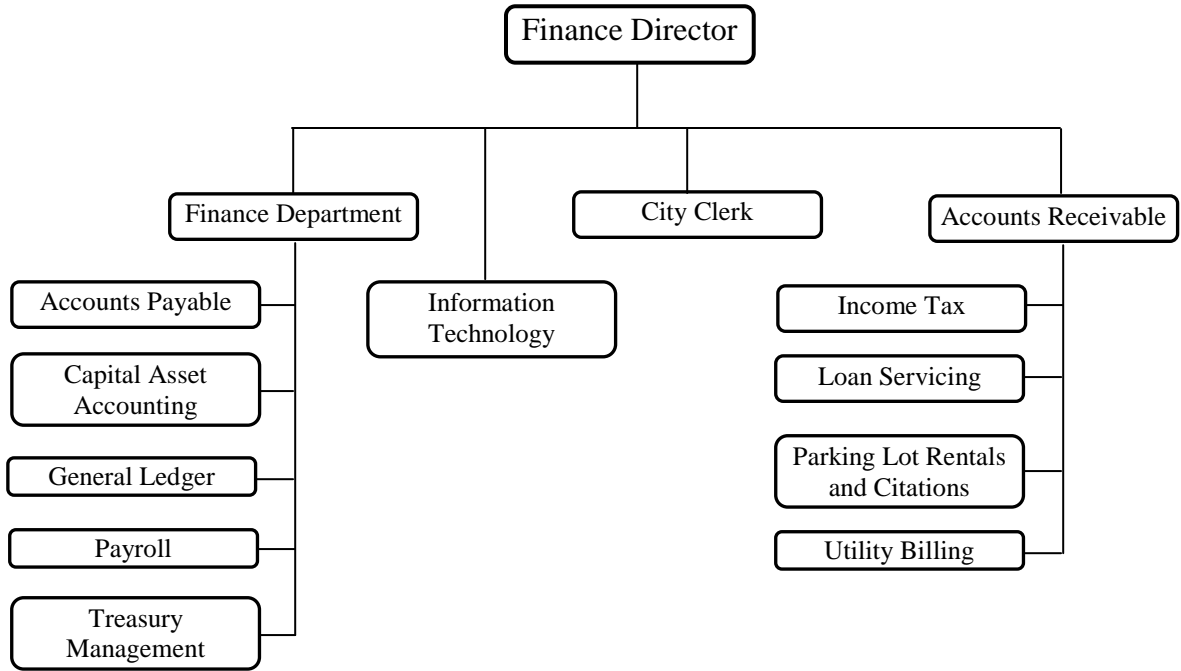


Commissions

- Records
- Traffic
- Civil Service
- Planning and Zoning

Boards

- Loan Trust
- Tax Appeals
- Zoning Appeals
- Recreation, Arts & Cultural Activities



II

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Xenia (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, State Gas & Vehicle License Fund, and Police & Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension liabilities and pension contributions to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
March 16, 2018



***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

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, 2016. 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 2016 are as follows:

The total change in the net position of Xenia City was \$889,290. The net position of governmental activities increased \$770,632, which represents an 2.51% increase from 2015. The net position of business-type activities increased by \$118,658 or 0.35% from 2015.

General revenues accounted for \$16.8 million or 50.6% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16.4 million or 49.4% of total revenues of \$33.2 million.

The total net position of governmental activities increased by \$770,632, due primarily to the increase in net pension liability. Changes in the net pension liability can have a large influence on the City's total net position. Income tax growth also played in a part in the increase, as 2016 was the year in recent history that the City has experienced significant growth. Cash and Cash Equivalents, and Investments decreased significantly by \$3,739,506 due mostly to the dispersal of funds associated with the construction of the new CAB. Capital assets increased \$7,775,541, the bulk of which relates to the new CAB and Justice Center. The City's cash reserve experienced an increase in 2016. This was after decreases in each of the prior two years. The governmental funds did record the additions of some major capital assets such as major upgrades to the public safety radio systems and recognized the H&A and Simon Kenton School properties via a prior period adjustment, as the City had owned these properties with the intention of seeing them developed soon after their acquisition, but numerous delays caused the City to hold onto these properties longer than expected and they were not originally setup as assets.

The City had \$21.2 million in expenses related to governmental activities; \$5.0 million of these expenses were offset by program-specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17.0 million provided additional support for these programs.

The general fund had \$9.2 million in revenues, \$3.5 million in expenditures and transfers to other funds of \$4.9 million. Due to changes in GASB 54, balances, revenues, and expenses once recorded in a separate recreation fund are now reported in the general fund. The general fund balance increased from \$2,839,023 to \$3,549,923.

The net position for business-type activities increased \$118,658. The Water, Sewer, and Loan funds all experienced increases in Net Position. The net position of the Sanitation, Storm Sewer, Parking Revenue, Housing Rehabilitation Loan, and CDBG & UDAG Revolving Loan Funds each decreased. The Water and Sewer funds both experienced increases of \$240,000 or more in 2016. The Sanitation Fund had a decrease of \$701,221 and Housing Rehabilitation Loan had a decrease of \$133,716. There was relatively little change in the Storm Sewer, Loan, CDBG & UDAG Revolving Loan, and Parking Revenue funds from the previous year.

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.

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, using accepted methods similar to those used by private-sector companies. The statement of net position includes all the government’s assets, deferred outflows, liabilities and deferred inflows. All 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 position and how it has changed. Net-position is one way to measure the City’s financial health or standing.

Over time, increases or decreases in the City’s net position 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 programs and services are reported here including public safety, recreation, urban redevelopment and housing, economic 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.

CITY OF XENIA, OHIO

Fund Financial Statements

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

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund 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 Position 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 position between 2016 and 2015.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
		Restated		Restated		Restated
Current and other assets	\$17,339,721	\$20,630,601	\$16,125,841	\$14,820,106	\$33,465,562	\$35,450,707
Capital assets, net	47,847,035	42,772,045	28,319,271	29,490,232	76,166,306	72,262,277
Total assets	<u>65,186,756</u>	<u>63,402,646</u>	<u>44,445,112</u>	<u>44,310,338</u>	<u>109,631,868</u>	<u>107,712,984</u>
Deferred Outflows of Resources	6,667,976	2,669,998	1,629,213	521,928	8,297,189	3,191,926
Net pension liability	25,016,025	19,840,979	4,282,008	2,976,600	29,298,033	22,817,579
Long-term debt outstanding	12,801,969	12,348,116	6,243,755	7,107,764	19,045,724	19,455,880
Other liabilities	1,025,528	1,752,287	1,347,156	695,171	2,372,684	2,447,458
Total liabilities	<u>38,843,522</u>	<u>33,941,382</u>	<u>11,872,919</u>	<u>10,779,535</u>	<u>50,716,441</u>	<u>44,720,917</u>
Deferred Inflows of Resources	1,503,430	1,394,114	79,803	49,786	1,583,233	1,443,900
Net position						
Net Investment in Capital Assets	39,612,767	33,130,179	23,083,209	23,500,079	62,695,976	56,630,258
Restricted	8,580,380	11,684,587	0	0	8,580,380	11,684,587
Unrestricted	(16,685,367)	(14,077,618)	11,038,394	10,502,866	(5,646,973)	(3,574,752)
Total net position	<u>\$31,507,780</u>	<u>\$30,737,148</u>	<u>\$34,121,603</u>	<u>\$34,002,945</u>	<u>\$65,629,383</u>	<u>\$64,740,093</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

CITY OF XENIA, OHIO

Change in Net Position – The following table shows the changes in net position for the fiscal year 2016 compared to 2015.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
		Restated		Restated		Restated
Revenues						
Program Revenues						
Charges for services and sales	\$4,462,100	\$4,646,580	\$11,257,765	\$10,642,093	\$15,719,865	\$15,288,673
Operating grants and contributions	475,852	299,644	75,000	174,487	550,852	474,131
Capital grants and contributions	93,097	14,585	16,000	144,542	109,097	159,127
General Revenues:						
Income taxes	12,728,800	11,952,647	0	0	12,728,800	11,952,647
Other local taxes	41,042	41,395	0	0	41,042	41,395
Property Taxes	1,442,144	1,324,503	0	0	1,442,144	1,324,503
Motor vehicle and gasoline taxes	1,459,326	1,194,461	0	0	1,459,326	1,194,461
Intergovernmental, unrestricted	1,003,737	1,033,930	0	0	1,003,737	1,033,930
Investment earnings	110,028	2,246	0	0	110,028	2,246
Miscellaneous	0	106	0	0	0	106
Total revenues	21,816,126	20,510,097	11,348,765	10,961,122	33,164,891	31,471,219
Expenses						
Program Expenses						
General government	3,928,893	2,041,895	0	0	3,928,893	2,041,895
Public safety	13,911,915	13,736,687	0	0	13,911,915	13,736,687
Highways and streets	1,968,786	2,187,058	0	0	1,968,786	2,187,058
Urban Redevelopment & Housing	121,281	115,229	0	0	121,281	115,229
Economic development & Assistance	605,816	548,344	0	0	605,816	548,344
Recreation	441,493	474,079	0	0	441,493	474,079
Debt service:						
Interest and fiscal charges	251,308	274,688	0	0	251,308	274,688
Water	0	0	3,663,222	3,332,480	3,663,222	3,332,480
Sewer	0	0	4,044,595	4,036,804	4,044,595	4,036,804
Sanitation	0	0	2,655,763	1,405,761	2,655,763	1,405,761
Storm Water	0	0	352,149	451,434	352,149	451,434
Other enterprise funds	0	0	330,380	175,944	330,380	175,944
Total expenses	21,229,492	19,377,980	11,046,109	9,402,423	32,275,601	28,780,403
Total change in net position before transfers	586,634	1,132,117	302,656	1,558,699	889,290	2,690,816
Transfers	183,998	74,734	(183,998)	(74,734)	0	0
Total change in net position	770,632	1,206,851	118,658	1,483,965	889,290	2,690,816
Beginning net position, restated	30,737,148	29,530,297	34,002,945	32,518,980	64,740,093	62,049,277
Ending net position	\$31,507,780	\$30,737,148	\$34,121,603	\$34,002,945	\$65,629,383	\$64,740,093

GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2016 statements report pension expense of \$3,159,899 for Governmental Activities and \$616,724 for Business-type Activities.

CITY OF XENIA, OHIO

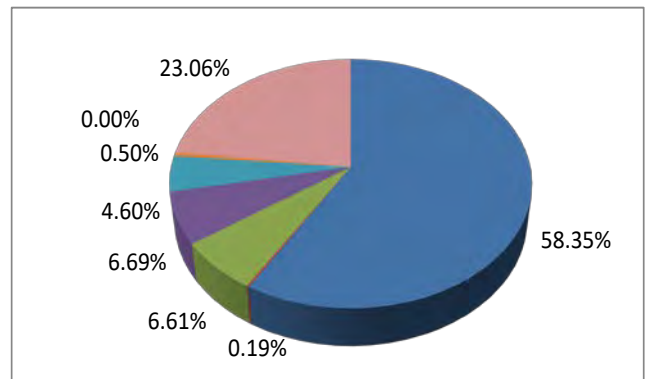
Governmental Activities

Net position of the City’s governmental activities increased by \$770,632. Charges for services decreased by \$184,480, primarily to a reduction in ambulance service charges. Income taxes, property taxes, motor vehicles and gasoline taxes, operating and capital grants increased, while charges for services decreased. The most significant change in revenues was the increase in income taxes in the amount of \$776,153. Part of this increase might be contributed to the changes that were made to municipal income tax collections by House Bill 5 that saw numerous changes made to the tax code. The most significant changes related to a change in due dates for withholdings and estimated payments which effected cash flows. Operating expenses decreased significantly. There were large decreases in both public safety and general government expenses, as the City made the tough decision to reduce safety forces through attrition to prevent a projected deficit that was expected due to continued reductions to local government funds and projected continued stagnant income tax growth.

The City receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation and on net profits earned from those living or working within the City.

Property taxes and income taxes made up 6.61% and 58.35% of revenues for governmental activities respectively for the City in fiscal year 2016. The City relies heavily on tax revenue for operations.

Revenue Sources	2016	Percent of Total
Municipal income taxes	\$12,728,800	58.35%
Other local taxes	41,042	0.19%
Property taxes	1,442,144	6.61%
Motor vehicle and gas taxes	1,459,326	6.69%
Intergovernmental, unrestricted	1,003,737	4.60%
Investment earnings	110,028	0.50%
Miscellaneous	0	0.00%
Program revenues	5,031,049	23.06%
Total Revenue	<u>\$21,816,126</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased \$118,658. The most substantial changes in net position were in the Sanitation fund and the Sewer fund. The Sanitation fund decreased \$701,221, while the Sewer fund had an increase of \$834,213. The Sanitation decrease can be attributed to an increase in landfill post closure costs that were required. There were substantial increases in the Water and Sewer funds as well, where both funds also had significant increases in operating revenues. All other enterprise funds had insignificant changes in net position.

CITY OF XENIA, OHIO

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$12,200,677, which is a decrease from last year's balance of \$14,812,980. The schedule below indicates the fund balance and the total change in fund balance as of December 31 in 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$3,549,923	\$2,839,023	\$710,900
State Gas and Vehicle License	516,987	440,287	76,700
Police & Fire Fund	1,799,991	1,394,186	405,805
Capital Improvements	1,498,873	1,368,812	130,061
Bond Construction Fund	1,747,645	5,982,384	(4,234,739)
Other Governmental	3,087,258	2,788,288	298,970
Total	\$12,200,677	\$14,812,980	(\$2,612,303)

General Fund – Revenues: General Fund revenues in 2016 increased approximately 5.8% compared to revenues in fiscal year 2015 as shown in the chart below. While income taxes, property taxes, charges for services and fines, costs, forfeitures grew, State shared taxes and permits, and miscellaneous receipts and reimbursements including interest were down.

	2016 Revenues	2015 Revenues	Increase (Decrease)
Municipal Income Taxes	\$5,665,087	\$5,272,017	\$393,070
Other Local Taxes	1,161,791	1,117,094	44,697
State Shared taxes and permits	954,403	994,489	(40,086)
Intergovernmental grants	0	0	0
Charges for services	95,865	30,596	65,269
Fines, costs, forfeitures, Licenses and permits	998,437	874,052	124,385
Miscellaneous receipts including interest earnings	282,769	367,357	(84,588)
Total	\$9,158,352	\$8,655,605	\$502,747

CITY OF XENIA, OHIO

General Fund – Expenditures: General Fund expenditures decreased \$296,077 from the prior year. The decrease is related to general government and highway and street expenditures for personnel costs, as the City had a health insurance premium holiday for one month, as a balance in the Self Insurance fund was used to cover the expenses, rather than charging the employees and the general fund for the applicable matches. Other expense fluctuations in the fund were typical and insignificant.

	2016 Expenditures	2015 Expenditures	Increase (Decrease)
General Government	\$2,804,174	\$3,009,293	(\$205,119)
Public Safety	95,044	97,276	(2,232)
Highways and Streets	195,087	237,000	(41,913)
Urban Redevelopment & Housing	85,514	88,662	(3,148)
Economic Development & Assistance	109,592	126,750	(17,158)
Recreation	233,150	259,657	(26,507)
Total	\$3,522,561	\$3,818,638	(\$296,077)

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.

For the General Fund, final budget basis revenue of \$8.93 million did not change from the original budget figure. The final budgeted expenditures of \$4.69 million increased \$66,814 compared to original appropriations of \$4.62 million. The majority of the increase was related increased legal costs. The City budgeted transfers of \$5,746,190 in the original budget and adjusted that amount by only \$25,000 in the final budget. There were no advances in the original budget, but that was adjusted to \$900,000 in the final budget for health insurance claims and potential Hope VI grant expenditures. There were no advances budgeted in 2015. The largest variances among revenues between final budget amounts and actual revenues were in Municipal Income Tax and Fines, Costs Forfeitures, Licenses and Permits, Including Interest. Municipal income taxes were up due in part to an increase in taxable income, but the changes by the State to withholding and estimated payment dates also factored into an increase in more taxes being collected than what was projected. When comparing 2016 budgeted expenses to actual, the variances are a small percentage of what was budgeted and can be attributed to ordinary contingencies budgeted on a regular basis. The General Fund had an adequate fund balance to cover expenditures.

CITY OF XENIA, OHIO

Capital Improvement Fund – The City’s General Capital Improvement Fund revenues decreased by \$64,692 compared to 2015. The decrease can be attributed to the reduction of miscellaneous receipts, including interest earnings.

	2016 Revenues	2015 Revenues	Increase (Decrease)
Income Taxes	\$1,406,890	\$1,330,139	\$76,751
Other Local Taxes	43,471	38,966	4,505
Intergovernmental Grants	93,097	0	93,097
Charges for Services	0	300	(300)
Fines, Costs, Forfeitures, Licenses and Permits	0	0	0
Miscellaneous Receipts including interest earnings	111,741	350,486	(238,745)
	\$1,655,199	\$1,719,891	(\$64,692)

Capital improvement fund expenditures increased by \$1,144,910 in 2016. The major factor was numerous park improvements that were made at a number of our parks, including the new splash pad.

	2016 Expenditures	2015 Expenditures	Increase (Decrease)
Capital Outlay	\$2,017,474	\$922,363	\$1,095,111
Debt Service:			
Principal retirement	152,164	107,654	44,510
Interest & Fiscal Charges	21,196	15,907	5,289
	\$2,190,834	\$1,045,924	\$1,144,910

The primary funding sources for the capital improvements fund are income tax revenue and Intergovernmental grants. In better rate environments, interest earnings are another significant source of revenue for the fund.

CITY OF XENIA, OHIO

Enterprise Funds – The City’s enterprise funds reported a net position balance of \$34,041,490, which is an increase from last year’s balance of \$33,855,538. The schedule below indicates the net position balance and the total change in net position by activity as of December 31 in 2016 and 2015. The change in net position in the Enterprise funds was an increase of 5.49%.

	Net Position Balance December 31, 2016	Restated Net Position Balance December 31, 2015	Increase (Decrease)
Water	\$12,028,293	\$11,785,168	\$243,125
Sewer	11,403,845	10,569,632	834,213
Sanitation	1,968,569	2,669,790	(701,221)
Storm Water	6,784,933	6,789,856	(4,923)
Other Enterprise	1,855,850	2,041,092	(185,242)
Total	\$34,041,490	\$33,855,538	\$185,952

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

	Water			Sewer		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Operating Revenues	\$3,848,058	\$3,550,927	\$297,131	\$4,817,316	\$4,351,868	\$465,448
Non-Operating Revenues	113,771	339,122	(225,351)	108,108	186,251	(78,143)
Total	\$3,961,829	\$3,890,049	\$71,780	\$4,925,424	\$4,538,119	\$387,305
Operating Expenses	\$3,597,933	\$3,340,138	\$257,795	\$3,916,951	\$3,805,482	\$111,469
Non-Operating Expenses	39,812	23,519	16,293	96,981	263,890	(166,909)
Total	\$3,637,745	\$3,363,657	\$274,088	\$4,013,932	\$4,069,372	(\$55,440)

GENERAL FUND BUDGETARY HIGHLIGHTS

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.

During the year there was a \$66,817 increase in appropriations between the original and final amended budget, for various operating costs, primarily professional and contractual services. Transfers were made from the General Fund to several other funds to cover operating costs. The most significant transfer was to the Police and Fire Fund in an amount that equaled \$3.9 million and an additional \$788,190 to the Police and Fire Capital Fund. Transfers were also made to the Probation Services Fund and the Victim Witness Fund to cover operating costs.

CITY OF XENIA, OHIO

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016, the City had \$76,166,306 net of accumulated depreciation invested in land, CIP, land improvements, buildings, equipment and infrastructure. Of this total, \$47,847,035 was related to governmental activities, and \$28,319,271 was related to business-type activities. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	Restated 2015	
	Land	\$17,016,464	\$17,020,584
Land Improvements	3,350,286	3,300,541	49,745
Buildings	10,224,786	10,224,786	0
Equipment	11,336,947	11,344,708	(7,761)
Infrastructure	18,803,993	18,114,676	689,317
Construction In Progress	7,392,736	1,825,904	5,566,832
Less: Accumulated Depreciation	(20,278,177)	(19,059,154)	(1,219,023)
Total	\$47,847,035	\$42,772,045	\$5,074,990

	Business-Type Activities		Increase (Decrease)
	2016	2015	
	Land	\$733,250	\$733,250
Land Improvements	918,153	1,097,177	(179,024)
Buildings	10,588,832	10,588,832	0
Equipment	57,951,181	57,402,386	548,795
Construction In Progress	1,793,034	1,596,350	196,684
Less: Accumulated Depreciation	(43,665,179)	(41,927,763)	(1,737,416)
Total	\$28,319,271	\$29,490,232	(\$1,170,961)

There was a significant increase in governmental activities' capital assets. The increase can be attributed primarily to an increase in Construction In Progress related to the new City Administration Building construction and Justice Center remodel. There was slight reduction in the asset value in Business-type activities.

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

CITY OF XENIA, OHIO

Debt

At December 31, 2016 the City had \$9,310,663 in bonds outstanding, \$578,348 due within one year. The following table summarizes the City's debt outstanding as of December 31 in 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bonds	\$9,247,308	\$8,756,488
Original Issue Premium	379,717	396,227
Capital Leases Payable	1,186,674	1,191,605
Local Government Innovation Fund	80,000	90,000
Compensated Absences	1,908,270	1,913,796
Net Pension Liability	25,016,025	19,840,979
Total Governmental Activities	37,817,994	32,189,095
Business-Type Activities:		
General Obligation Bonds	63,355	75,235
Landfill Liability	417,222	547,863
Compensated Absences	590,471	569,571
Capital Leases Payable	857,187	1,037,524
Loans Payable	4,315,520	4,877,571
Net Pension Liability	4,282,008	2,976,600
Total Business-Type Activities	10,525,763	10,084,364
Totals	\$48,343,757	\$42,273,459

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, 2016, 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

The local economy in Xenia continues its slow but steady recovery. Unemployment rates have improved over the last few years and are only 0.3% higher than the State rate. The national unemployment rate at the end of 2016 was 4.5%. The State had an unemployment rate of 4.7%, the County 4.1%, and the City of Xenia 5.0%. The City's rate has decreased in each of the last six years from 8.9% in 2011. One area of concern for management is that there continues to be far too many households with little or no taxable income within the community. There were 51.6% of households in the City that had a taxable income of less than \$20,000 and 27.4% with less than \$50,000. That is 79.0% of the households that filed returns during 2016. This does not account for the households with individuals over the age of 65 and have no taxable income, for which they are not required to file a return with the City. Economic development and job creation continues to be a top priority for Council and City Management. The City is hopeful that an increased focus and investment in economic development will result in job creation and opportunity for City residents and businesses.

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 Ryan Duke, Finance Director of Xenia City.

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Phone: (937) 376-7235

Fax: (937) 347-1606



CITY OF XENIA, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and cash equivalents	\$ 4,315,358	\$ 5,761,171	\$ 10,076,529
Investments	5,812,153	7,759,541	13,571,694
Receivables:			
Taxes, including interest, penalties and liens	4,829,399	0	4,829,399
Intergovernmental	1,180,256	0	1,180,256
Accounts	996,295	1,414,211	2,410,506
Special assessments, including liens	286,218	26,719	312,937
Loans	0	874,074	874,074
Accrued interest	13,364	14,389	27,753
Grants	120,751	0	120,751
Allowance for uncollectible accounts	(530,597)	(20,973)	(551,570)
Interfund balances	(41,001)	41,001	0
Inventories	133,593	210,850	344,443
Prepaid items	223,932	44,858	268,790
Capital Assets Not being depreciated	24,409,200	2,526,284	26,935,484
Capital Assets, net of accumulated depreciation	23,437,835	25,792,987	49,230,822
Total Assets	65,186,756	44,445,112	109,631,868
Deferred Outflows of Resources			
Pension	6,667,976	1,629,213	8,297,189
Total Deferred Outflows of Resources	6,667,976	1,629,213	8,297,189
Liabilities:			
Accounts payable	480,361	1,195,988	1,676,349
Accrued payroll	515,454	132,808	648,262
Accrued interest payable	29,713	18,360	48,073
Long-term liabilities:			
Amounts due within one year	1,081,078	919,004	2,000,082
Amounts due in more than one year	11,720,891	5,324,751	17,045,642
Net Pension Liability	25,016,025	4,282,008	29,298,033
Total Liabilities	38,843,522	11,872,919	50,716,441
Deferred Inflows of Resources			
Pension	160,003	79,803	239,806
Property Taxes Levied for the Next Fiscal Year	1,343,427	0	1,343,427
Total Deferred Inflows of Resources	1,503,430	79,803	1,583,233

CITY OF XENIA, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Net Position:			
Net Investment in Capital Assets	39,612,767	23,083,209	62,695,976
Restricted For:			
Capital Projects	4,526,592	0	4,526,592
Debt Service	103,773	0	103,773
General government programs	301,278	0	301,278
Safety programs	2,524,924	0	2,524,924
Street construction/maintenance	1,123,813	0	1,123,813
Unrestricted (Deficit)	(16,685,367)	11,038,394	(5,646,973)
Total Net Position	\$ 31,507,780	\$ 34,121,603	\$ 65,629,383

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Current:				
General government	3,928,893	1,704,695	304,133	0
Public safety	13,911,915	2,716,568	171,719	0
Highways and streets	1,968,786	8,233	0	0
Urban Redevelopment & Housing	121,281	2,388	0	0
Economic Development & Assistance	605,816	203	0	0
Recreation	441,493	30,013	0	93,097
Debt service:				
Interest and fiscal charges	251,308	0	0	0
Total Governmental Activities	21,229,492	4,462,100	475,852	93,097
Business-Type Activities:				
Water	3,663,222	3,961,826	0	0
Sewer	4,044,595	4,925,424	0	0
Sanitation	2,655,763	1,973,814	0	0
Storm Water	352,149	342,741	0	0
Loan	385	10,738	0	5,000
Parking Revenue	47,880	41,009	0	0
CDBG and UDAG Revolving Loan	146,531	460	75,000	11,000
Housing Rehabilitation Loan	135,584	1,753	0	0
Total Business-Type Activities	11,046,109	11,257,765	75,000	16,000
Total primary government	\$ 32,275,601	\$ 15,719,865	\$ 550,852	\$ 109,097

General Revenues:

Income taxes
 Other local taxes
 Property Taxes
 Motor vehicle and gas taxes
 Intergovernmental, unrestricted
 Investment earnings

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year (Restated)

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (1,920,065)	\$ 0	\$ (1,920,065)
(11,023,628)	0	(11,023,628)
(1,960,553)	0	(1,960,553)
(118,893)	0	(118,893)
(605,613)	0	(605,613)
(318,383)	0	(318,383)
<u>(251,308)</u>	<u>0</u>	<u>(251,308)</u>
<u>(16,198,443)</u>	<u>0</u>	<u>(16,198,443)</u>
0	298,604	298,604
0	880,829	880,829
0	(681,949)	(681,949)
0	(9,408)	(9,408)
0	15,353	15,353
0	(6,871)	(6,871)
0	(60,071)	(60,071)
0	(133,831)	(133,831)
<u>0</u>	<u>302,656</u>	<u>302,656</u>
<u>\$ (16,198,443)</u>	<u>\$ 302,656</u>	<u>\$ (15,895,787)</u>
\$ 12,728,800	\$ 0	\$ 12,728,800
41,042	0	41,042
1,442,144	0	1,442,144
1,459,326	0	1,459,326
1,003,737	0	1,003,737
110,028	0	110,028
183,998	(183,998)	0
<u>16,969,075</u>	<u>(183,998)</u>	<u>16,785,077</u>
770,632	118,658	889,290
<u>30,737,148</u>	<u>34,002,945</u>	<u>64,740,093</u>
<u>\$ 31,507,780</u>	<u>\$ 34,121,603</u>	<u>\$ 65,629,383</u>

CITY OF XENIA, OHIO

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General	State Gas and Vehicle License	Police & Fire Fund
Assets:			
Cash and cash equivalents	\$ 1,001,069	\$ 102,557	\$ 542,513
Investments	1,348,273	138,134	730,688
Receivables:			
Taxes, including interest, penalties and liens	2,673,500	0	1,704,611
Intergovernmental	505,835	512,500	18,590
Accounts	12,632	0	607,236
Special assessments, including liens	286,218	0	0
Accrued interest	0	248	1,304
Grants	0	0	11,992
Allowance for uncollectible accounts	(234,338)	0	(296,259)
Interfund Receivable	400,000	0	0
Inventories	4,328	99,490	0
Prepaid items	31,300	3,572	39,887
Total Assets	\$ 6,028,817	\$ 856,501	\$ 3,360,562
Liabilities:			
Accounts payable	\$ 38,913	\$ 1,343	\$ 62,567
Accrued payroll	70,996	21,891	473,005
Total Liabilities	109,909	23,234	535,572
Deferred Inflows of Resources			
Property Taxes Levied for the Next Fiscal Year	1,109,751	0	172,382
Delinquent Property Tax Revenue Unavailable	38,266	0	6,746
Unavailable Revenue - Other	1,220,968	316,280	845,871
Total Deferred Inflows of Resources	2,368,985	316,280	1,024,999
Fund Balances:			
Nonspendable Fund Balance			
Inventories	4,328	99,490	0
Prepaid items	31,300	3,572	39,887
Restricted Fund Balance	0	413,925	1,760,104
Committed Fund Balance	0	0	0
Assigned Fund Balance	7,001	0	0
Unassigned Fund Balance	3,507,294	0	0
Total Fund Balances	3,549,923	516,987	1,799,991
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 6,028,817	\$ 856,501	\$ 3,360,562

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

<u>Capital Improvements</u>	<u>Bond Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 575,202	\$ 799,936	\$ 1,268,866	\$ 4,290,143
780,702	1,077,403	1,708,993	5,784,193
387,746	0	63,542	4,829,399
0	0	143,331	1,180,256
0	0	13,816	633,684
0	0	0	286,218
4,201	4,562	2,824	13,139
0	0	108,759	120,751
0	0	0	(530,597)
38,929	0	0	438,929
0	0	0	103,818
0	0	45,256	120,015
<u>\$ 1,786,780</u>	<u>\$ 1,881,901</u>	<u>\$ 3,355,387</u>	<u>\$ 17,269,948</u>
\$ 88,514	\$ 132,858	\$ 36,776	\$ 360,971
0	0	21,637	587,529
<u>88,514</u>	<u>132,858</u>	<u>58,413</u>	<u>948,500</u>
0	0	61,294	1,343,427
0	0	2,248	47,260
199,393	1,398	146,174	2,730,084
<u>199,393</u>	<u>1,398</u>	<u>209,716</u>	<u>4,120,771</u>
0	0	0	103,818
0	0	45,256	120,015
1,498,873	1,747,645	2,794,651	8,215,198
0	0	247,351	247,351
0	0	0	7,001
0	0	0	3,507,294
<u>1,498,873</u>	<u>1,747,645</u>	<u>3,087,258</u>	<u>12,200,677</u>
<u>\$ 1,786,780</u>	<u>\$ 1,881,901</u>	<u>\$ 3,355,387</u>	<u>\$ 17,269,948</u>

CITY OF XENIA, OHIO

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016**

Total Governmental Fund Balances	\$ 12,200,677
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	47,462,750
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.	2,777,344
Long-term liabilities, including bonds payable and interest, are not due and payable in the current period and therefore are not reported in the funds.	(12,630,845)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(18,410,244)
The Internal Service Fund is used by management to charge the costs of various activities to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position. This is the balance that is recorded in the governmental activities.	<u>108,098</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$ 31,507,780</u></u>

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, 2016**

	General	State Gas and Vehicle License	Police & Fire Fund
Revenues:			
Municipal income tax	\$ 5,665,087	\$ 0	\$ 5,627,560
Other local taxes	1,161,791	0	189,374
State shared taxes and permits	954,403	974,126	27,618
Intergovernmental grants	0	0	118,146
Charges for services	95,865	3,090	2,188,315
Fines, costs, forfeitures, licenses and permits	998,437	0	41,910
Miscellaneous receipts and reimbursements, including interest	282,769	6,321	198,320
Total Revenue	9,158,352	983,537	8,391,243
Expenditures:			
Current:			
General government	2,804,174	0	0
Public safety	95,044	0	11,776,125
Highways and streets	195,087	909,246	0
Urban redevelopment & Housing	85,514	0	0
Economic Development & Assistance	109,592	0	0
Recreation	233,150	0	0
Capital outlay	0	0	92,448
Debt service:			
Principal retirement	0	0	0
Interest & fiscal charges	0	0	0
Total Expenditures	3,522,561	909,246	11,868,573
Excess (deficiency) of revenues over expenditures	5,635,791	74,291	(3,477,330)
Other financing sources (uses):			
Capital leases initiated	0	0	0
Proceeds from the sale of notes	0	0	0
Proceeds from GO Bonds	0	0	0
Original Issue Premium	0	0	0
Transfers in	0	0	3,883,135
Transfers out	(4,926,325)	0	0
Total other financing sources (uses)	(4,926,325)	0	3,883,135
Net change in fund balances	709,466	74,291	405,805
Fund Balances at Beginning of Year	2,839,023	440,287	1,394,186
Increase (decrease) in inventory reserve	1,434	2,409	0
Fund Balances End of Year	\$ 3,549,923	\$ 516,987	\$ 1,799,991

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

	Capital Improvements	Bond Construction	Other Governmental Funds	Total Governmental Funds
\$	1,406,890	\$ 0	\$ 0	\$ 12,699,537
	43,471	0	111,304	1,505,940
	0	0	438,905	2,395,052
	93,097	0	307,808	519,051
	0	0	8,180	2,295,450
	0	0	375,931	1,416,278
	<u>111,741</u>	<u>16,783</u>	<u>181,285</u>	<u>797,219</u>
	<u>1,655,199</u>	<u>16,783</u>	<u>1,423,413</u>	<u>21,628,527</u>
	0	0	756,963	3,561,137
	0	0	163,402	12,034,571
	0	0	92,414	1,196,747
	0	0	5,701	91,215
	0	0	54,648	164,240
	0	0	0	233,150
	2,017,474	4,251,522	858,280	7,219,724
	152,164	0	659,570	811,734
	21,196	0	289,427	310,623
	<u>2,190,834</u>	<u>4,251,522</u>	<u>2,880,405</u>	<u>25,623,141</u>
	(535,635)	(4,234,739)	(1,456,992)	(3,994,614)
	0	0	194,470	194,470
	0	0	0	0
	1,000,000	0	0	1,000,000
	0	0	0	0
	0	0	1,561,492	5,444,627
	<u>(334,304)</u>	<u>0</u>	<u>0</u>	<u>(5,260,629)</u>
	<u>665,696</u>	<u>0</u>	<u>1,755,962</u>	<u>1,378,468</u>
	130,061	(4,234,739)	298,970	(2,616,146)
	1,368,812	5,982,384	2,788,288	14,812,980
	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,843</u>
\$	<u><u>1,498,873</u></u>	<u><u>1,747,645</u></u>	<u><u>3,087,258</u></u>	<u><u>12,200,677</u></u>

CITY OF XENIA, OHIO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ (2,616,146)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation. 4,907,549

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 net of proceeds received. (11,699)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 186,830

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,896,420

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,159,899)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term consumes current financial resources of governmental funds, however neither has any effect on net position. (366,227)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 42,806

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. 63,392

The Internal Service Fund is used to charge the cost of services (e.g. insurance) to individual funds and is not included in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the City's Internal Service Fund is allocated among the governmental activities. (172,394)

Change in Net Position of Governmental Activities \$ 770,632

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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 5,497,000	\$ 5,497,000	\$ 5,731,966	\$ 234,966
Other Local Taxes	1,170,000	1,170,000	1,161,791	(8,209)
State Shared Taxes and Permits	955,226	955,226	960,430	5,204
Charges for Services	29,500	29,500	95,865	66,365
Fines, Costs, Forfeitures, Licenses and Permits	860,700	860,700	1,010,677	149,977
Miscellaneous Receipts and Reimbursements, Including Interest	422,080	422,080	338,915	(83,165)
Total Revenues	<u>8,934,506</u>	<u>8,934,506</u>	<u>9,299,644</u>	<u>365,138</u>
Expenditures:				
General Government	3,633,716	3,701,828	3,047,006	654,822
Public Safety	151,977	151,977	113,214	38,763
Economic Development & Assistance:	141,182	141,182	119,955	21,227
Highways and Streets	278,166	278,166	247,375	30,791
Urban Redevelopment and Housing	95,464	95,464	88,444	7,020
Recreation	321,742	320,447	244,044	76,403
Total Expenditures	<u>4,622,247</u>	<u>4,689,064</u>	<u>3,860,038</u>	<u>829,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,312,259	4,245,442	5,439,606	1,194,164
Other Financing Sources (Uses):				
Transfers In	13,000	13,000	3,000	(10,000)
Transfers Out	(5,746,190)	(5,771,190)	(4,929,325)	841,865
Advances In	0	900,000	0	(900,000)
Advances Out	0	(900,000)	(400,000)	500,000
Total Other Financing Sources (Uses)	<u>(5,733,190)</u>	<u>(5,758,190)</u>	<u>(5,326,325)</u>	<u>431,865</u>
Net Change in Fund Balance	(1,420,931)	(1,512,748)	113,281	1,626,029
Fund Balance at Beginning of Year	1,717,830	1,717,830	1,717,830	0
Prior Year Encumbrances	215,736	215,736	215,736	0
Fund Balance at End of Year	<u>\$ 512,635</u>	<u>\$ 420,818</u>	<u>\$ 2,046,847</u>	<u>\$ 1,626,029</u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

CITY OF XENIA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE GAS AND VEHICLE LICENSE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
State Shared Taxes and Permits	\$ 975,000	\$ 975,000	\$ 967,799	\$ (7,201)
Charges for Services	4,000	4,000	3,090	(910)
Miscellaneous Receipts and Reimbursements, Including Interest	3,500	3,500	6,730	3,230
Total Revenues	<u>982,500</u>	<u>982,500</u>	<u>977,619</u>	<u>(4,881)</u>
Expenditures:				
Current:				
Highways and Streets	1,217,544	1,217,544	967,344	250,200
Total Expenditures	<u>1,217,544</u>	<u>1,217,544</u>	<u>967,344</u>	<u>250,200</u>
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	0	(100,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>(100,000)</u>
Net Change in Fund Balance	(135,044)	(135,044)	10,275	145,319
Fund Balance at Beginning of Year	145,874	145,874	145,874	0
Prior Year Encumbrances	55,649	55,649	55,649	0
Fund Balance at End of Year	<u>\$ 66,479</u>	<u>\$ 66,479</u>	<u>\$ 211,798</u>	<u>\$ 145,319</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)
POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 5,500,000	\$ 5,500,000	\$ 5,694,439	\$ 194,439
Other Local Taxes	200,000	200,000	189,374	(10,626)
State Shared Taxes and Permits	34,300	34,300	27,618	(6,682)
Intergovernmental Grants	321,803	321,803	115,262	(206,541)
Charges for Services	2,316,824	2,316,824	2,192,340	(124,484)
Fines, Costs, Forfeitures, Licenses and Permits	14,000	14,000	7,280	(6,720)
Miscellaneous Receipts and Reimbursements, Including Interest	256,000	256,000	200,602	(55,398)
Total Revenues	<u>8,642,927</u>	<u>8,642,927</u>	<u>8,426,915</u>	<u>(216,012)</u>
Expenditures:				
Current:				
Public Safety	13,334,185	13,334,185	12,323,434	1,010,751
Capital Outlay:	98,050	98,050	79,354	18,696
Total Expenditures	<u>13,432,235</u>	<u>13,432,235</u>	<u>12,402,788</u>	<u>1,029,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,789,308)	(4,789,308)	(3,975,873)	813,435
Other Financing Sources (Uses):				
Transfers In	4,600,000	4,600,000	3,883,135	(716,865)
Total Other Financing Sources (Uses)	<u>4,600,000</u>	<u>4,600,000</u>	<u>3,883,135</u>	<u>(716,865)</u>
Net Change in Fund Balance	(189,308)	(189,308)	(92,738)	96,570
Fund Balance at Beginning of Year	984,629	984,629	984,629	0
Prior Year Encumbrances	123,354	123,354	123,354	0
Fund Balance at End of Year	<u>\$ 918,675</u>	<u>\$ 918,675</u>	<u>\$ 1,015,245</u>	<u>\$ 96,570</u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2016**

	<i>Business-type activities - Enterprise Funds</i>		
	Water	Sewer	Sanitation
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 1,647,909	\$ 2,151,198	\$ 1,316,141
Investments	2,219,521	2,897,376	1,772,656
Receivables:			
Accounts	464,428	857,669	7,079
Special assessments, including liens	9,314	10,988	5,551
Loans	0	0	0
Accrued interest	4,052	5,191	3,468
Allowance for uncollectible accounts	(7,115)	(2,535)	(5,296)
Inventories	187,672	23,178	0
Prepaid items	26,114	13,164	2,430
Total Current Assets	4,551,895	5,956,229	3,102,029
Noncurrent Assets:			
Unrestricted:			
Loans receivable (net of current)	0	0	0
Capital Assets not being depreciated	1,623,034	591,766	209,699
Capital Assets (net of accumulated depreciation)	7,868,172	11,279,766	378,132
Total Noncurrent Assets	9,491,206	11,871,532	587,831
Total Assets	14,043,101	17,827,761	3,689,860
Deferred Outflows of Resources			
Pension	725,569	705,111	123,916
Total Deferred Outflows of Resources	725,569	705,111	123,916

CITY OF XENIA, OHIO

<i>Business-type activities - Enterprise Funds</i>			
<u>Storm Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 282,177	\$ 351,145	\$ 5,748,570	\$ 37,816
380,068	472,947	7,742,568	44,933
72,838	5,490	1,407,504	369,318
866	0	26,719	0
0	43,153	43,153	0
741	937	14,389	225
(750)	(5,277)	(20,973)	0
0	0	210,850	29,775
0	294	42,002	106,773
<u>735,940</u>	<u>868,689</u>	<u>15,214,782</u>	<u>588,840</u>
0	830,921	830,921	0
3,975	97,810	2,526,284	233,750
<u>6,171,968</u>	<u>87,418</u>	<u>25,785,456</u>	<u>158,066</u>
<u>6,175,943</u>	<u>1,016,149</u>	<u>29,142,661</u>	<u>391,816</u>
<u>6,911,883</u>	<u>1,884,838</u>	<u>44,357,443</u>	<u>980,656</u>
<u>62,161</u>	<u>12,456</u>	<u>1,629,213</u>	<u>59,803</u>
<u>62,161</u>	<u>12,456</u>	<u>1,629,213</u>	<u>59,803</u>

CITY OF XENIA, OHIO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	<i>Business-type activities - Enterprise Funds</i>		
	Water	Sewer	Sanitation
Liabilities:			
<i>Current Liabilities:</i>			
Accounts payable	29,346	102,209	1,050,837
Accrued payroll	56,523	60,411	9,988
Interfund payable	0	0	0
Loan payable	0	605,710	0
Accrued interest payable	9,175	9,175	5
Compensated absences	15,783	19,067	2,457
Capital lease payable - current	63,758	63,758	0
GO Bonds - Current	5,504	5,504	563
Landfill liability - current	0	0	135,095
<i>Total Current Liabilities</i>	180,089	865,834	1,198,945
<i>Noncurrent Liabilities</i>			
Compensated absences	225,970	272,983	35,181
Capital lease payable	364,835	364,836	0
Loans payable	0	3,709,810	0
GO Bonds - Non Current	23,231	23,232	2,379
Landfill liability - noncurrent	0	0	282,127
Net Pension Liability	1,910,799	1,857,901	320,385
<i>Total Noncurrent Liabilities</i>	2,524,835	6,228,762	640,072
Total Liabilities	2,704,924	7,094,596	1,839,017
Deferred Inflows of Resources			
Pension	35,453	34,431	6,190
Total Deferred Inflows of Resources	35,453	34,431	6,190
Net Position:			
Net Investment in Capital Assets	9,033,878	7,098,682	584,889
Unrestricted	2,994,415	4,305,163	1,383,680
Total Net Position	\$ 12,028,293	\$ 11,403,845	\$ 1,968,569

Adjustment to Consolidate Utility Billing Internal Service Fund to Net Position

Adjustment to Consolidate the allocated portion of the Garage Internal Service Fund to Net Position

Adjustment to Consolidate the allocated portion of the Information Technology Service Fund to Net Position

Adjustment to Consolidate the allocated portion of the Self-Insurance Internal Service Fund to Net Position

Total Net Position per the government-wide Statement of Net position

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

<i>Business-type activities - Enterprise Funds</i>			
<u>Storm Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
159	5,881	1,188,432	126,946
4,789	1,097	132,808	4,599
0	0	0	438,929
0	0	605,710	0
5	0	18,360	0
1,135	107	38,549	2,023
0	0	127,516	23,295
563	0	12,134	0
0	0	135,095	0
<u>6,651</u>	<u>7,085</u>	<u>2,258,604</u>	<u>595,792</u>
16,256	1,532	551,922	28,958
0	0	729,671	69,887
0	0	3,709,810	0
2,379	0	51,221	0
0	0	282,127	0
<u>160,719</u>	<u>32,204</u>	<u>4,282,008</u>	<u>154,623</u>
<u>179,354</u>	<u>33,736</u>	<u>9,606,759</u>	<u>253,468</u>
<u>186,005</u>	<u>40,821</u>	<u>11,865,363</u>	<u>849,260</u>
3,106	623	79,803	2,988
<u>3,106</u>	<u>623</u>	<u>79,803</u>	<u>2,988</u>
6,173,001	185,228	23,075,678	298,634
611,932	1,670,622	10,965,812	(110,423)
<u>\$ 6,784,933</u>	<u>\$ 1,855,850</u>	<u>\$ 34,041,490</u>	<u>\$ 188,211</u>
		39,112	
		(18,293)	
		79,935	
		(20,641)	
		<u>34,121,603</u>	

CITY OF XENIA, OHIO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<i>Business-type Activities - Enterprise Funds</i>		
	Water	Sewer	Sanitation
Operating revenues:			
Charges for services	\$ 3,848,058	\$ 4,817,316	\$ 1,845,810
Operating expenses:			
Personnel services	1,996,286	1,958,874	342,020
General operating	6,389	3,131	0
Contractual services	652,514	869,592	2,194,955
Materials and supplies	287,134	171,815	0
Depreciation	655,610	913,539	70,433
Non-governmental	0	0	41,791
Total expenses	3,597,933	3,916,951	2,649,199
Operating income (loss)	250,125	900,365	(803,389)
Non-operating revenues:			
Interest revenue	25,044	32,637	22,505
Other	88,727	75,471	105,499
Intergovernmental	0	0	0
Total Non-operating revenue	113,771	108,108	128,004
Non-operating expenses:			
Interest expense	20,705	96,981	76
Loss on disposal	19,107	0	0
Total Non-Operating Expenses	39,812	96,981	76
Income (loss) before transfers and contributions	324,084	911,492	(675,461)
Capital leases initiated	0	0	0
Transfers Out	(80,959)	(77,279)	(25,760)
Capital contributions	0	0	0
Total other financing sources (uses)	(80,959)	(77,279)	(25,760)
Change in Net Position	243,125	834,213	(701,221)
Net Position, beginning of year, restated	11,785,168	10,569,632	2,669,790
Net Position, end of year	\$ 12,028,293	\$ 11,403,845	\$ 1,968,569

Change in Net Position - total enterprise funds

Adjustments to consolidate Utility Billing Internal Service Fund activities

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

Adjustments to consolidate allocated portion of the Information Technology Internal Service Fund activities

Adjustments to consolidate allocated portion of the Self-Insurance Internal Service Fund activities

Total Change in net position of business-type activities

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

<u>Storm Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 331,384	\$ 47,096	\$ 10,889,664	\$ 3,042,807
160,537	33,522	4,491,239	176,005
0	598	10,118	1,699,940
2,787	75,171	3,795,019	1,146,028
35,612	34,892	529,453	602,307
146,405	5,463	1,791,450	22,133
1,658	180,556	224,005	0
<u>346,999</u>	<u>330,202</u>	<u>10,841,284</u>	<u>3,646,413</u>
(15,615)	(283,106)	48,380	(603,606)
4,989	6,030	91,205	1,136
6,368	834	276,899	362,756
0	91,000	91,000	0
<u>11,357</u>	<u>97,864</u>	<u>459,104</u>	<u>363,892</u>
76	0	117,838	0
589	0	19,696	0
<u>665</u>	<u>0</u>	<u>137,534</u>	<u>0</u>
(4,923)	(185,242)	369,950	(239,714)
0	0	0	0
0	0	(183,998)	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>(183,998)</u>	<u>0</u>
(4,923)	(185,242)	185,952	(239,714)
<u>6,789,856</u>	<u>2,041,092</u>	<u>33,855,538</u>	<u>427,925</u>
<u>\$ 6,784,933</u>	<u>\$ 1,855,850</u>	<u>\$ 34,041,490</u>	<u>\$ 188,211</u>
		185,952	
		(11,269)	
		(4,170)	
		37,865	
		(89,720)	
		<u>118,658</u>	

CITY OF XENIA, OHIO

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,761,277	\$4,714,964	\$1,846,311
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(934,214)	(972,330)	(1,529,445)
Cash Payments to Employees	(1,972,178)	(1,915,264)	(332,561)
Net Cash Provided (Used) by Operating Activities	854,885	1,827,370	(15,695)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(80,959)	(77,279)	(25,760)
Advances to Other Funds	0	0	0
Advances from Other Funds	0	0	0
Intergovernmental Grants	28,181	0	0
Other Non Operating Receipts	88,120	106,096	105,748
Net Cash Used by Noncapital Financing Activities	35,342	28,817	79,988
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	0	0
Acquisition and Construction of Assets	(291,183)	(171,980)	(70,526)
Principal Paid on Loans	0	(562,051)	0
Principal Paid on Bonds	(5,388)	(5,388)	(552)
Interest Paid on All Debt	(22,013)	(156,036)	(77)
Capital Lease Payment	(60,994)	(119,343)	0
Loan Initiated	0	0	0
GO Bonds Initiated	0	0	0
Capital Leases Initiated	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(379,578)	(1,014,798)	(71,155)
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	0	0	51,172
Purchase of Investments	(243,589)	(422,248)	0
Receipts of Interest	31,004	40,771	26,860
Net Cash Provided (Used) by Investing Activities	(212,585)	(381,477)	78,032
Net Increase in Cash and Cash Equivalents	298,064	459,912	71,170
Cash and Cash Equivalents at Beginning of Year	1,349,845	1,691,286	1,244,971
Cash and Cash Equivalents at End of Year	\$1,647,909	\$2,151,198	\$1,316,141

CITY OF XENIA, OHIO

Storm Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$329,494	\$92,082	\$10,744,128	\$0
0	0	0	2,681,001
(40,149)	(247,822)	(3,723,960)	(3,511,005)
(168,189)	(31,171)	(4,419,363)	(167,712)
121,156	(186,911)	2,600,805	(997,716)
0	0	(183,998)	0
0	0	0	(8,480)
0	0	0	400,000
0	0	28,181	0
568,396	834	869,194	362,756
568,396	834	713,377	754,276
0	166,000	166,000	0
(685,946)	0	(1,219,635)	(82,291)
0	0	(562,051)	0
(552)	0	(11,880)	0
(77)	0	(178,203)	0
0	0	(180,337)	(23,295)
0	0	0	0
0	0	0	0
0	0	0	0
(686,575)	166,000	(1,986,106)	(105,586)
8,210	38,035	97,417	213,323
0	(13,556)	(679,393)	(4,027)
5,946	7,234	111,815	296
14,156	31,713	(470,161)	209,592
17,133	11,636	857,915	(139,434)
265,044	339,509	4,890,655	177,250
\$282,177	\$351,145	\$5,748,570	\$37,816

CITY OF XENIA, OHIO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<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)	\$250,125	\$900,365	(\$803,389)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	655,610	913,539	70,433
Income - Other Nonoperating	0	0	0
Changes in Assets and Deferred Outflows and			
Liabilities and Deferred Inflows:			
(Increase) Decrease in Loans Receivable	0	0	0
(Increase) Decrease in Accounts Receivable	(88,453)	(108,404)	0
(Increase) Decrease in Special Assessments Receivabl	583	13,618	(1)
(Increase) Decrease in Allowance for Doubtful Accou	1,089	(7,566)	503
(Increase) Decrease in Prepaid Items	(636)	(1,892)	(227)
(Increase) in Deferred Outflows - Pension	(494,037)	(476,231)	(85,944)
(Increase) Decrease in Inventory	29,387	1,162	0
(Decrease) in Landfill Liability	0	0	(130,641)
Increase (Decrease) in Accounts Payable	(16,927)	72,938	838,168
Increase (Decrease) in Accrued Payroll	(81,513)	(73,343)	(13,826)
Increase in Deferred Inflows - Pension	13,446	12,675	2,543
Increase in Net Pension Liability	586,876	548,327	112,011
Increase (Decrease) in Compensated Absences	(665)	32,182	(5,325)
Total Adjustments	<u>604,760</u>	<u>927,005</u>	<u>787,694</u>
Net Cash Provided (Used) by Operating Activities	<u>\$854,885</u>	<u>\$1,827,370</u>	<u>(\$15,695)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

The fair market value of investments decreased in 2016 by \$5,279, \$7,221, \$3,440, \$747, and \$883 in the Water, Sewer, Sanitation, Stormwater, and Other Enterprise Funds respectfully.

The fair market value of investments increased in Internal Service Funds by \$570.00

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Storm Water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
(\$15,615)	(\$283,106)	\$48,380	(\$603,606)
146,405	5,463	1,791,450	22,133
0	0	0	0
0	111,470	111,470	0
(2,048)	(4,165)	(203,070)	(361,806)
(4)	0	14,196	0
162	1,330		
0	21	(2,734)	(21,839)
(41,979)	(9,094)	(1,107,285)	(41,219)
0	0	30,549	(124)
0	0	(130,641)	0
(92)	(20,274)	873,813	(40,767)
(8,076)	(408)	(177,166)	(3,440)
1,098	255	30,017	1,105
46,606	11,588	1,305,408	47,898
(5,301)	9	20,900	3,949
<u>136,771</u>	<u>96,195</u>	<u>2,552,425</u>	<u>(394,110)</u>
<u>\$121,156</u>	<u>(\$186,911)</u>	<u>\$2,600,805</u>	<u>(\$997,716)</u>

CITY OF XENIA, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	162,155
Accounts Recievable	<u>240,000</u>
Total Assets	<u>402,155</u>
Liabilities:	
Accounts payable	303,623
Restricted deposits	<u>98,532</u>
Total Liabilities	<u>402,155</u>

See accompanying notes to the basic financial statements

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*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

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, 2016 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 GASB No. 39 "Determining whether certain organization are component units" and No. 61 "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34" in that the financial statements include all organizations, activities, functions, and component units for which the City is financially accountable. Generally, component units are legally separate organizations for which the elected officials of 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.

The City's financial reporting entity includes all applicable funds, agencies, boards, commissions and jointly governed organizations that include the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, stormwater, recreation, public improvements, planning and zoning, and general administrative services. No component unit is included in fiscal year 2016.

The City is party to three jointly governed organizations. Jointly governed organizations are governed by representatives from various participating organizations where the City has no ongoing financial interest or responsibility. The following jointly governed organizations are described in Note 15.

1. Xenia Township – City of Xenia JEDD-1 Joint Economic Development District
2. Miami Valley Regional Planning Commission
3. Greene County Agencies for Combined Enforcement (ACE Task Force)

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The City also participates in the Public Entities Pool of Ohio, which is a local government risk sharing pool. The pool is discussed in Note 18.

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. Revenue sources in the fund include state shared taxes and permits, charges for services, and miscellaneous receipts and reimbursements including interest.

Police and Fire Fund - This fund is used to account for financial resources restricted for the City's Police department, Fire department, and Dispatch center. Certain revenue sources are required by State law or City ordinance to be spent on these functions. Revenue sources in the fund include municipal income tax; other local taxes; state shared taxes and permits; intergovernmental grants; charges for services such as emergency medical services and dispatching services; fines, costs, forfeitures, licenses, and permits; and miscellaneous receipts and reimbursements including interest. This fund also receives a subsidy from the City's general fund.

Capital Improvements Fund – This fund is used to account for financial resources restricted 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). Revenue sources in the fund include municipal income tax, other local taxes, intergovernmental grants, charges for services, and miscellaneous receipts and reimbursements including interest.

Bond Construction Fund – This fund is used to account for financial resources restricted for the construction of a new City Administration Building and rehabilitation of the current City Hall into a Justice Center. Revenue sources in the fund include proceed from sale of general obligation bonds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

The City reports the following major proprietary funds:

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

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

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

Stormwater Fund – This fund is utilized to account for revenues and expenses related to providing stormwater 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) servicing the vehicles of City departments, providing IT services to City Departments and account for self-insurance health benefits 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 City’s fiduciary funds are all agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has four agency funds as follows:

- (1) Municipal Court Traffic, Criminal, Civil, and Small Claims Funds: These funds are used to account for assets held by the Court’s Traffic, Criminal, Civil, and Small Claims divisions. The Municipal Court is considered part of the reporting entity of the City. The Court handles court cases for the City and adjoining communities 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: This fund is used 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; and
- (4) LGIF Funds: This fund is used to account for assets held by the City for transactions related to a loan from the Local Government Innovation Fund entered into by the City and three other local governments. The City is responsible for collecting debt payments from those three local governments and making payment on behalf of those entities to the State of Ohio.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary City, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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 and the accrual basis of accounting. 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.

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 and Internal Service 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, current liabilities and deferred inflows of resources, 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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 governmental funds follow the modified accrual basis of accounting. 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, 2016 but which are not intended to finance 2016 operations are recorded as deferred inflows of resources.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Agency funds are custodial in nature (assets equals liabilities) and do not include measurement of results of its operations.

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 and proprietary 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.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

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. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding at year-end are carried forward to the next fiscal year.
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 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 as follows:

- (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).
- (3) Advances in and Advances out are operating transactions (budget) as opposed to balance sheet (GAAP).

The adjustments necessary to convert the results of operations for the year ended December 31, 2016 on the GAAP basis to the budget basis are as follows:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

	Net Change in Fund Balances		
	General Fund	State Gas and Vehicle License Fund	Police & Fire Fund
GAAP Basis (as reported)	\$ 709,466	\$ 74,291	\$ 405,805
Revenue Accrual	141,292	(5,918)	35,672
Expenditure Accrual	(498,220)	(28,487)	(346,941)
Outstanding Encumbrances	(239,257)	(29,611)	(187,274)
Budget Basis	\$ 113,281	\$ 10,275	\$ (92,738)

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, 2016. The City pools its cash, cash equivalents, and investments 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 accounts.

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 2016, the Capital Improvements Fund was allocated approximately \$60,464 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.

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 classification that indicates they are and are not in spendable form.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, 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. Governmental prepaid items are equally offset by a fund balance classification that indicates they are not in spendable form.

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 Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, land improvements, buildings, building improvements, machinery, equipment, construction in progress, 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 Position and in the respective funds.

All capital assets are depreciated, excluding land and construction in progress. 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	20 - 25
Buildings and Improvements	20 - 40
Machinery and Equipment	1 - 25
Infrastructure	10 - 50

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	City Motor Vehicle License Tax Fund, Capital Improvement Fund, General Obligation Bond Pay Fund, 2015 General Obligation Bond Retirement Fund, Water Fund, Sewer Fund, Sanitation Fund, Stormwater Fund
Loans Payable	Sewer Fund, Police & Fire Fund
Landfill Liability	Sanitation Fund
Compensated Absences	General Fund, Probation Services Fund, State Gas and Vehicle License Fund, Police & Fire Fund, 911 Fund, Municipal Court Victim Fund, Water Fund, Sewer Fund, Sanitation Fund, Stormwater Fund, Parking Revenue Fund, Housing Rehabilitation Loan Fund, and Garage Fund
Capital Leases	Capital Improvements Fund, Municipal Court Capital Improvements Fund, Police/Fire Capital Fund, Water Fund, and Sewer Fund

L. Compensated Absences

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

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

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

M. Net Position

Net position represents the difference between assets, plus deferred outflows of resources, and deferred inflows of resources, plus liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position (Continued)

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

O. Interfund Activity

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

P. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the City classifies its fund balance based on the constraints placed upon the use of resources reported in governmental funds. The following are the five fund balance classifications:

1. Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.
2. Restricted Fund Balance - The restricted classification is used when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions (City Charter) or enabling legislation.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance (Continued)

3. Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Xenia City Council. Constraints are imposed on committed amounts by Council through ordinance or resolution.
4. Assigned Fund Balance - Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. City Council may assign certain amounts through a motion but has also delegated authority to the City Manager, Finance Director, and Law Director to conduct City business which may include the assignment of fund balances.
5. Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

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.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

U. Self-Insurance

As of January 1, 2016, the City is self-insured for employee health care benefits See Note 16 for additional information

V. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported for pension amounts (See Note 9). The amounts are reported in the government-wide and proprietary statements of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, grants and miscellaneous receipts, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 9.

CITY OF XENIA, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 2 – FUND BALANCES

Fund Balances are classified as nonspendable, restricted, committed, assigned and unassigned. The Constraints placed on fund balances for major governmental funds and all other governmental funds are presented below.

Fund Balances	General	State Gas & Vehicle License	Police & Fire	Capital Improvements	Bond Construction	Other Governmental Funds
Nonspendable:						
Inventory	\$ 4,328	\$ 99,490	\$ -	\$ -	\$ -	\$ -
Prepays	31,300	3,572	39,887	0	0	45,256
Total Nonspendable	<u>35,628</u>	<u>103,062</u>	<u>39,887</u>	<u>0</u>	<u>0</u>	<u>45,256</u>
Restricted for:						
General Government	0	0	0	0	0	301,164
Public Safety	0	0	1,760,104	0	0	1,056,000
Highways & Streets	0	413,925	0	0	0	314,779
Capital Projects	0	0	0	1,498,873	1,747,645	1,030,003
Debt Service	0	0	0	0	0	92,705
Total Restricted	<u>0</u>	<u>413,925</u>	<u>1,760,104</u>	<u>1,498,873</u>	<u>1,747,645</u>	<u>2,794,651</u>
Committed to:						
General Governemnt	0	0	0	0	0	247,351
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>247,351</u>
Assigned to:						
Subsequent Year Appropriations	0	0	0	0	0	0
General Government	4,721	0	0	0	0	0
Public Safety	182	0	0	0	0	0
Highways & Streets	1,659	0	0	0	0	0
Urban Redevelopment & Housing	3	0	0	0	0	0
Economic Development & Asst	43	0	0	0	0	0
Recreation	393	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Assigned	<u>7,001</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	3,507,294	0	0	0	0	0
Total Fund Balance	<u><u>3,549,923</u></u>	<u><u>516,987</u></u>	<u><u>1,799,991</u></u>	<u><u>1,498,873</u></u>	<u><u>1,747,645</u></u>	<u><u>3,087,258</u></u>

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 3 – DEPOSITS AND INVESTMENTS

Xenia is a charter City and has adopted an investment policy through City ordinance. Ohio Revised Code Section 135 will govern investment policy and procedures when City policies or ordinance do not address an issue. State statute classify monies held by the City into three categories: active deposits, inactive deposits, and interim deposits.

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

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

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

Interim monies held by the City may be deposited or invested in the following securities:

1. Direct Obligations of U.S. Treasury
Treasury Bills
Treasury Notes and Bonds
2. Obligations of Federal Agencies and Instrumentalities
Including but not limited to:
Federal National Mortgage Association (FNMA)
Federal Home Loan Bank (FHLB)
Federal Farm Credit Bank (FFCB)
Federal Home Loan Mortgage Corporation (FHLMC)
Government National Mortgage Association (GNMA)
Student Loan Marketing Association (SLMA)
3. Nonnegotiable Interest-Bearing Time Certificates of Deposit and Savings Accounts
4. Negotiable Interest-Bearing Certificates of Deposit covered by FDIC Insurance
5. Bankers Acceptances of banks in the top 100 based on asset size or Ohio-based banks with at least \$2 billion in assets
6. The State Treasury Asset Reserve of Ohio (STAR Ohio)

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

7. No-load money market mutual funds consisting exclusively of obligations listed in 1 and 2 above
8. Repurchase agreements under terms outlined in Safekeeping and Custody
9. NOW accounts (Interest Bearing Negotiable Order of Withdrawal Accounts)
10. Obligations of the State of Ohio and its political subdivisions (only insured obligations)

Investments not approved by the City policy are prohibited including stripped principal or interest obligations and reverse repurchase agreements and derivatives. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

The City may also invest any monies not required to be used for a period of six months or more in bonds of the State of Ohio, other political subdivisions of the State, or obligations of the City.

At December 31, 2016, the carrying amount of the City cash deposits was \$10,238,684 and the bank balance was \$8,683,062. FDIC Insurance covered \$250,000, per insured bank, for each account ownership category. At fiscal year-end, \$5,368,580 of the City's bank balance was exposed to custodial credit risk, because they were uninsured and collateralized with securities held by the pledging financial institution.

For any 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% of the total amount of all public deposits not covered by FDIC Insurance 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 interest-bearing demand deposit and savings accounts and were uninsured but collateralized with securities held by the pledging financial institution.

CITY OF XENIA, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The City's investments at December 31, 2016 are summarized below:

Investment Type	Total Fair Value	Credit Rating	Investment Maturities				% of Total Investments
			Less than 6 Months	6 Months to 1 Year	1 - 3 Years	3 - 5 Years	
FFCB	\$ 794,328	AAA	0	400,000	0	394,328	5.85%
FHLB	\$ 1,723,892	AAA	0	0	148,780	1,575,112	12.70%
FHLMC	\$ 394,640	AAA	0	0	0	394,640	2.91%
FNMA	\$ 1,958,160	AAA	0	0	0	1,958,160	14.43%
STAR OHIO	\$ 0	AAA	0	0	0	0	0.00%
Certificate of Deposit	\$ 6,376,881	AA3	240,149	739,933	1,984,246	3,412,553	46.99%
Money Market Funds	\$ 2,323,793	Unrated	2,323,793	0	0	0	17.12%
Total Investments	\$ 13,571,694		\$ 2,563,942	\$ 1,139,933	\$ 2,133,026	\$ 7,734,793	100.00%

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. 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. The City does not have a formal policy regarding interest rate risk.

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. All of the City’s securities are either insured and registered in the name of the City or at least registered in the name of the City. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investment prior to delivery of securities representing such investment to the Fiscal Officer and qualified trustees.

Credit Risk – The Standard & Poor’s or Moody’s ratings of the City’s investment is listed in the table above. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service. The City’s investment policy limits investments to those that are highly rated or issued by U.S. Government sponsored enterprises.

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. The City’s investment policy places no limits on the amount it may invest in any one issuer. The percentages that each investment represents to the total investments are listed in the preceding table.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement

The City’s investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly, or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources

The categorization of investments with the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment’s risk. The City had the following reoccurring fair value measurements as of December 31, 2016.

		Identical Assets	Observable Inputs	Unobservable Inputs
Investment Type	Total	(Level 1)	(Level 2)	(Level 3)
FFCB	\$ 794,328	\$ -	\$ 794,328	\$ -
FHLB	1,723,892	-	1,723,892	-
FHLMC	394,640	-	394,640	-
FNMA	1,958,160	-	1,958,160	-
Certificate of Deposit	6,376,881	-	6,376,881	-
	\$ 11,247,901	\$ -	\$ 11,247,901	\$ -

Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment managers and advisors. The City’s investments in money market funds are measured at amortized cost and therefore are not classified based on the hierarchy above.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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 2014.

The property tax calendar is as follows:

Lein date	January 1, 2015
Levy date	January 1, 2016
First installment payment due	February 15, 2016
Second installment payment due	July 19, 2016

The assessed values upon which 2016 tax receipts were based, are as follows:

	Assessed Values January 1, 2015
Residential and Agricultural	\$270,402,490
Commercial and Industrial	78,199,300
Public Utilities	8,702,690
Total	\$357,304,480

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 in February or one-half may be paid in February and the other half in July. 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 August, 2013. The additional levy is for five years, to be assessed for tax-duplicate years 2014 to 2018, and collected in the fiscal years 2015 through 2019.

Property taxes receivable represents real and public utility property taxes and outstanding delinquencies that were measurable as of December 31, 2016, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources, i.e. property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources, i.e. unavailable revenue.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 4 – TAXES (Continued)

B. Income Tax

For the 2016 fiscal year the City collected income taxes at a rate of 2.25%. A 1.5% credit was allowed for those who work in another community and pay taxes to other municipalities on that income. 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 –RECEIVABLES

Receivables at December 31, 2016, consisted of municipal income tax, property taxes, other local taxes, interfund, accounts, special assessments, loans, accrued interest, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables with the exception of loans are considered fully collectible and will be received within one year with the exception of income taxes, property taxes, loans, and special assessments. Income taxes and property taxes, though ultimately collectible, include some portion of delinquents that will not be collected within one year.

A. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Governmental Activities:	Amount
Local Government	398,048
Homestead & Rollback	106,176
Motor Vehicle License Tax	233,869
Gasoline Tax	412,500
Telephone Tax	29,663
	1,180,256

B. Loans Receivable

The City operates three long-term enterprise fund loan programs including the Loan Fund, the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) Revolving Loan Fund, and the Housing Rehabilitation Loan Fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

B. Loans Receivable (Continued)

Loans receivable at December 31, 2016 were:

Loan Type	C.D.B.G. Revolving Loan Fund	Loan Fund	Housing Rehabilitation Loan Fund
Down payment assistance loans	\$0	\$0	\$1,320
Mortgage grants	0	0	53,850
Rehabilitation loans	0	0	172,977
Façade Loans	0	0	470,646
Homelessness Prevention Loans	0	0	3,724
Economic development loans	0	171,558	0
Total Loans receivable	\$0	\$171,558	\$702,516

UDAG & 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 from this fund. The City also assumed the assets, liabilities, and loan commitments of its component unit (Xenia Economic Development Corporation [XEGC]) in 2011 when the corporation was dissolved. Loans previously managed and issued by XEGC are now administered through the Loan Fund.

Housing Rehabilitation Loan Fund – In December 2009, the City received notice that it had been awarded a Tier II Downtown Building and Streetscape Grant. These grant dollars are required to be spent on downtown Xenia. Projects related to these grant dollars include the improvement of downtown buildings through a façade loan program, improvements to two municipal parking lots, curb and sidewalk improvements, the painting of several murals, and wayfinding and gateway signage. The City was also awarded a Tier III CDBG Discretionary Grant that complements the Tier II efforts to improve downtown facades. The first Tier III dollars were spent in 2012. In September 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 6 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2016:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$4,926,325
Police & Fire Fund	3,883,135	0
General Capital Improvement Fund	0	334,304
Other Governmental Funds	1,561,492	0
Total Governmental Funds	<u>5,444,627</u>	<u>5,260,629</u>
Enterprise Funds		
Water Fund	0	80,959
Sewer Fund	0	77,279
Storm Sewer Fund	0	25,760
Total Enterprise Funds	<u>0</u>	<u>183,998</u>
Total Transfers	<u>\$5,444,627</u>	<u>\$5,444,627</u>

There were three transfers from the General Fund to Other Governmental Funds. One transfer was to support operations in the Municipal Court Victim Fund, another to support operations in the Probation Services Fund, and the third was to the Police/Fire Capital Improvements Fund. The transfer from the General Fund to the Police and Fire Fund was to support operations related to those public safety functions. The General Capital Improvement Fund and Enterprise Fund transfers were to the 2015 General Obligation Bond Retirement Fund for the debt service payment for the 2015 Building Bonds. There were also transfers of Capital assets between various funds. These transfers are not represented as transfers on the fund statements because in each case the transfer was between governmental and enterprise funds. The transfers are recognized on the entity-wide statements.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2016 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds:		
General Fund	\$400,000	
Capital Improvements Fund	\$38,929	
Internal Service Funds:		
City Garage Fund		\$38,929
Self Insurance Fund		\$400,000

Advances to the Garage Fund are for the purpose of acquiring capital assets. The Advance is then paid back to the General Capital Improvement Fund as that asset depreciates.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2016:

<i>Historical Cost:</i>	Restated December 31, 2015	Additions	Deletions	December 31, 2016
<u>Class</u>	<u>2015</u>	<u> </u>	<u> </u>	<u> </u>
<i>Capital assets not being depreciated:</i>				
Land	\$17,020,584	\$0	(\$4,120)	\$17,016,464
Construction in Progress	1,825,904	5,566,832	\$0	7,392,736
Subtotal	<u>18,846,488</u>	<u>5,566,832</u>	<u>(4,120)</u>	<u>24,409,200</u>
<i>Capital assets being depreciated:</i>				
Land improvements	3,300,541	49,745	\$0	3,350,286
Buildings and improvements	10,224,786	0	\$0	10,224,786
Machinery and Equipment	11,344,708	292,779	(\$300,540)	11,336,947
Infrastructure	18,114,676	770,098	(\$80,781)	18,803,993
Subtotal	<u>42,984,711</u>	<u>1,112,622</u>	<u>(381,321)</u>	<u>43,716,012</u>
Total Cost	<u>\$61,831,199</u>	<u>\$6,679,454</u>	<u>(\$385,441)</u>	<u>\$68,125,212</u>
 <i>Accumulated Depreciation:</i>				
<u>Class</u>	<u>December 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2016</u>
Land improvements	(\$1,162,510)	(\$149,826)	\$0	(\$1,312,336)
Buildings and improvements	(3,694,621)	(260,175)	\$0	(3,954,796)
Machinery and Equipment	(6,865,318)	(642,640)	\$298,666	(7,209,292)
Infrastructure	(7,336,705)	(536,004)	\$70,956	(7,801,753)
Total Depreciation	<u>(\$19,059,154)</u>	<u>(\$1,588,645)</u>	<u>\$369,622</u>	<u>(\$20,278,177)</u>
<i>Net Value:</i>	<u>\$42,772,045</u>	<u>\$5,090,809</u>	<u>(\$15,819)</u>	<u>\$47,847,035</u>

* Depreciation expenses were charged to governmental functions as follows:

General Government	\$179,568
Public Safety	\$487,825
Highways and Streets	\$673,571
Urban Redevelopment & Housing	\$26,493
Recreation	\$201,565
Total Depreciation Expense recorded within the Governmental Activities	1,569,022
Amount of Depreciation Expense recorded in the Internal Service Fund	\$19,623
Total Additions to Accumulated Depreciation	<u>\$1,588,645</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Capital assets not being depreciated:				
Land	\$733,250	\$0	\$0	\$733,250
Construction in Progress	1,596,350	196,684	0	1,793,034
Subtotal	<u>2,329,600</u>	<u>196,684</u>	<u>0</u>	<u>2,526,284</u>
Capital assets being depreciated:				
Land improvements	1,097,177	0	(179,024)	918,153
Buildings and improvements	10,588,832	0	0	10,588,832
Machinery and Equipment	57,402,386	619,635	(70,840)	57,951,181
Total Cost	<u>\$71,417,995</u>	<u>\$816,319</u>	<u>(\$249,864)</u>	<u>\$71,984,450</u>

Accumulated Depreciation:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Land Improvements	(\$387,124)	(\$46,266)	\$0	(\$433,390)
Buildings and Improvements	(5,346,258)	(257,159)	0	(5,603,417)
Machinery and Equipment	(36,194,381)	(1,490,535)	56,544	(37,628,372)
Total Depreciation	<u>(\$41,927,763)</u>	<u>(\$1,793,960)</u>	<u>\$56,544</u>	<u>(\$43,665,179)</u>
Net Value:	<u>\$29,490,232</u>			<u>\$28,319,271</u>

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*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$885,588 for 2016.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,391,635 for 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,539,641	\$19,758,392	\$29,298,033
Proportion of the Net Pension Liability-2016	0.055075%	0.307138%	
Proportion of the Net Pension Liability-2015	<u>0.054554%</u>	<u>0.313445%</u>	
Percentage Change	<u>0.0005210%</u>	<u>(0.006307%)</u>	
Pension Expense	\$1,398,124	\$2,378,499	\$3,776,623

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,804,058	\$3,215,908	\$6,019,966
City contributions subsequent to the measurement date	885,588	1,391,635	2,277,223
Total Deferred Outflows of Resources	<u>\$3,689,646</u>	<u>\$4,607,543</u>	<u>\$8,297,189</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$183,223	\$55,480	\$238,703
Change in Proportionate Share	1,103	0	1,103
Total Deferred Inflows of Resources	<u>\$184,326</u>	<u>\$55,480</u>	<u>\$239,806</u>

\$2,277,223 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$613,275	\$836,147	\$1,449,422
2018	658,111	836,147	1,494,258
2019	713,789	836,147	1,549,936
2020	634,557	664,708	1,299,265
2021	0	(10,690)	(10,690)
2022	0	(2,031)	(2,031)
Total	<u>\$2,619,732</u>	<u>\$3,160,428</u>	<u>\$5,780,160</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
Cost-of-Living Adjustments:	
Pre 1/7/2013 Retirees	3.00% Simple,
Post 1/7/2013 Retirees	3.00% Simple,
Through 2018, then	2.80%, Simple,
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$15,198,979	\$9,539,641	\$4,766,169

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8% to 7.5%. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00 %	0.00%	0.00%
Domestic Equity	16.00	4.47	7.80
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation Protected *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	120.00 %		

* levered 2x

** numbers are net of expected inflation

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$26,058,668	\$19,758,392	\$14,421,432

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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 visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 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 2016, 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.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$147,598, \$147,749 and \$144,029, respectively, which were equal to the required contributions for each year.

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. That report is also available on OP&F’s website at www.op-f.org.

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.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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, 2016, 2015, and 2014 were \$17,091, \$16,638 and \$16,460 for police and \$15,791, \$14,600 and \$14,925 for firefighters, respectively, which were equal to the required contributions for each year.

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CITY OF XENIA, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

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

Long-term debt and other long-term obligations of the City at December 31, 2016 were as follows:

			Balance December 31, 2015	Additions	(Reductions)	Balance December 31, 2016	Due Within One Year
Business-Type Activities:							
Loans Payable:							
2.79%	Sewer Loan Payable	1999	\$2,109,857	\$0	(\$446,390)	\$1,663,467	\$458,932
3.25%	Sewer Loan Payable	2010	1,444,180	0	(79,400)	1,364,780	82,001
2.80%	Sewer Loan Payable	2012	1,323,534	0	(36,261)	1,287,273	64,777
	Total Loans Payable		<u>4,877,571</u>	<u>0</u>	<u>(562,051)</u>	<u>4,315,520</u>	<u>605,710</u>
2.16%	G.O. Bond Payable		75,235	0	(11,880)	63,355	12,134
Net Pension Liability:							
	Ohio Public Employees Retirement System		\$2,832,268	\$1,272,064	\$0	\$4,104,332	\$0
	Ohio Police and Fire Pension System		144,332	33,344	0	177,676	0
	Total Net Pension Liability		<u>2,976,600</u>	<u>1,305,408</u>	<u>0</u>	<u>4,282,008</u>	<u>0</u>
	Capital Leases		1,037,524	0	(180,337)	857,187	127,516
	Landfill Liability		547,863	0	(130,641)	417,222	135,095
	Compensated Absences		569,571	590,471	(569,571)	590,471	38,549
	Total Business Type Activities		<u>\$10,084,364</u>	<u>\$1,895,879</u>	<u>(\$1,454,480)</u>	<u>\$10,525,763</u>	<u>\$919,004</u>
Governmental Activities Long-Term Debt:							
2.00- 3.10%	G.O. Bond Payable	2010	\$500,000	\$0	(\$100,000)	\$400,000	\$100,000
2.16%	G.O. Bond Payable	2011	596,488	0	(94,180)	\$502,308	96,214
2.00 - 4.00%	G.O. Bond Payable	2015	7,660,000	0	(265,000)	\$7,395,000	270,000
	Park Improvement Bond	2016	0	1,000,000	(50,000)	\$950,000	100,000
	Premium on G.O. Bond Payable	2015	396,227	0	(16,510)	\$379,717	16,510
	Total G.O. Bonds Payable		<u>9,152,715</u>	<u>1,000,000</u>	<u>(525,690)</u>	<u>9,627,025</u>	<u>582,724</u>
	Local Government Innovation Fund	2013	90,000	0	(10,000)	\$80,000	10,000
Net Pension Liability:							
	Ohio Public Employees Retirement System		\$3,747,554	\$1,687,757	\$0	\$5,435,311	\$0
	Ohio Police and Fire Pension System		16,093,425	3,487,289	0	19,580,714	0
	Total Net Pension Liability		<u>19,840,979</u>	<u>5,175,046</u>	<u>0</u>	<u>25,016,025</u>	<u>0</u>
	Capital Leases Payable		1,191,605	310,920	(315,851)	1,186,674	274,601
	Compensated Absences		1,913,796	1,908,270	(1,913,796)	1,908,270	213,753
	Total Governmental Activities		<u>\$32,189,095</u>	<u>\$8,394,236</u>	<u>(\$2,765,337)</u>	<u>\$37,817,994</u>	<u>\$1,081,078</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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

A. Principal and Interest Requirements

Principal and Interest requirements to retire long-term obligations outstanding at December 31, 2016 are as follows:

Years	General Obligation Bond		Sewer Loans Payable		LGIF
	Principal	Interest	Principal	Interest	Principal
2017	578,350	293,996	605,710	122,520	10,000
2018	585,690	280,858	623,117	105,113	10,000
2019	588,081	267,394	641,025	87,205	10,000
2020	595,523	253,841	408,368	68,780	10,000
2021	508,019	241,657	165,685	60,381	10,000
2022-2026	\$1,890,000	\$940,463	\$908,119	\$222,208	\$30,000
2027-2031	\$1,490,000	\$757,150	\$865,195	\$76,589	\$0
2032-2036	\$1,815,000	\$433,950	\$98,301	\$2,069	\$0
2037-2042	\$1,260,000	\$89,250	\$0	\$0	\$0
Totals	<u>\$9,310,663</u>	<u>\$3,558,559</u>	<u>\$4,315,520</u>	<u>\$744,865</u>	<u>\$80,000</u>

B. General Obligation Bond

In 2000, the City issued \$1,400,000 of general obligations bonds to fund street improvements in our Industrial park and to pay off its unfunded police and fire pension liability. The City received a discount from the Police and Fire Pension Fund for paying off the unfunded police and fire pension obligation. The City had an option to call in the bonds after June 1st of 2010 and after carefully evaluating the options decided to do so. The City then in a refunding issued \$920,000 of new bonds at a lower rate for a 10-year period. The bonds mature at different times and rates. It is estimated that the debt refinance will save the City approximately \$113,000 over the 10-year period. In 2011, the City issued additional general obligation bonds in the amount of \$1,074,000. In this instance the bonds were privately placed with PNC bank rather than publicly offered. These bonds were issued for the purpose of making improvements to infrastructure at the City's feature park, and to purchase backup generators for City Hall and the Public Service Center. In 2015, the City issued additional general obligation bonds in the amount of \$8,000,000. This was a public offering, for which the proceeds of the bonds were to be used in the construction of a new City Administration Building, as well as rehab the current City Hall into a Justice Center. In 2016, the City issued additional general obligation bonds in the amount of \$1,000,000. This issuance was a privately placed with Huntington bank. These bonds were issued for the purpose of making improvements to a number of the City's parks.

C. Sewer Loans Payable

The City has three loans outstanding with the Ohio Water Development Authority. The loans were used to make improvements at each of the City's two wastewater treatment plants. One loan funded improvements made in 2001 while the more recent improvements began in 2010 and were completed in 2013.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

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

D. Local Government Innovation Fund

In 2013 the City of Xenia acquired a zero interest loan from the State of Ohio as a part of a collaborative agreement with three other local government entities. The loan proceeds were to be used to fund a portion of a capital project to upgrade the dispatch center's radio system. The total loan amount was \$400,000, each entity receiving \$100,000. The loan will be repaid over a ten year period.

NOTE 12 – LEASES

A. Capital Leases

Under capital leases the City has leases for a fire pumper, communication center upgrades including radios and consoles, a building security system, automated meter reading upgrades, and a 2014 medic unit. 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 \$4,399,820 and the book value at December 31, 2016 was \$2,043,847. 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, 2016:

Year Ending December 31,	Governmental Activities	Business Type Activities
2017	312,667	164,515
2018	312,668	164,516
2019	312,667	164,516
2020	294,578	164,516
2021	0	164,516
2022	0	164,517
Minimum Lease Payments	1,232,580	987,096
Less amount representing interest at the City's incremental borrowing rate of interest	(45,906)	(129,909)
Present value of minimum lease payments	\$1,186,674	\$857,187

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 12 – LEASES (Continued)

B. Operating Leases

The City leases office space, machinery and equipment, and janitorial and cleaning services under operating agreements that expire at various dates through 2018. Payments on operating leases were \$78,089 during 2016. The following is a schedule of future minimum rental payments of non-cancellable operating leases:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	1,344
2018	672

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, 2016 the City's accrued liability (per GASB 18) for post-closure costs related to the closed City landfill is \$417,222. 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.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 14 – COMMITMENTS

A. Contractual Commitments

As of December 31, 2016, the City had the following commitments with respect to capital projects:

<u>Project:</u>	<u>Commitment Amount</u>
Security System - Justice Center	34,762
APG Office Furniture for Justice Center	90,406
Justice Center Fire Suppression System	35,695
Construction of New Interview Room	7,549
Justice Ctr Additions - XPD	7,725
APP Architecture for Design/Modifications to City Hall Bldgs	23,568
2106 Street Program	35,258
Improvements to Xenia Station	88,641
Window Replacement at Stations 31/32	11,800
Renovation of City Hall	1,212,823
Security System - Justice Center	16,639
Construction of City Admin Bldg	369,811
Admin Bldg Network	22,200
Security System - CAB	52,119
Office Furniture	22,685
Audio System - Council Chambers	5,988
Recording/Streaming System Council Chambers	5,113
Tax Rolling File System	8,948
Radio Communication	24,628
Cleaning Wells, 6, 9 & 10	50,121
High Service Pump VFDs	37,683
Samplers with battery assembly	5,253
30" Sluice Gate Valve	10,795
24" Sluice Gate Valve	9,091

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

Xenia Township – City of Xenia JEDD-1 Joint Economic Development District

In 2010, an Economic Development District was created when the City of Xenia and Xenia Township entered into an agreement to create the JEDD, its purpose being to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the District. The district is comprised of two parcels owned by the Xenia Community School District. The Board is comprised of five members: one member being appointed by the City, one member appointed by the Township, one member appointed by the school district, one member representing those who work in the district, and one member appointed by the other four members.

The board was granted the authority to adopt a resolution to levy an income tax with the district in accordance with ORC 715.74. The City entered into an agreement with the board to collect the income tax. The City distributes semi-annually income tax revenue generated from the payroll of Xenia Community schools or contractual services for construction or repair of buildings. Income tax revenues

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

distributed to the JEDD Board, the Township, and the City are to be used to encourage and support the operations of the District, the Township, or the City, including, but not limited to, general governmental services, maintaining and improving infrastructure facilities, providing safety and health services, providing urban and economic development planning, engineering, counseling, consulting, marketing and financing services, and generally improving the environment for those working and residing in the District, the Township, or the City. Financial information can be obtained from JEDD-1 Treasurer Mark A. Bazalak, 107 E. Main Street, Xenia, Ohio 45385.

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami, and Montgomery counties, and various cities residing within these counties. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses that affect the development of the region.

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Payments to the Commission are made from the General Fund. The City contributed \$11,831 for the operation of the Commission during 2016. Financial information may be obtained by writing to Brian O. Martin, Executive Director, 10 N Ludlow Street, Suite 700, Dayton, Ohio 45402.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the Task Force are made from the Law Enforcement Fund. The City contributed \$10,500 during 2016. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Scott J. Anger, 120 E. Main Street, Xenia, Ohio 45385.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 16 - 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 Public Entities Pool of Ohio “PEP” (See Note 18) that provides property and liability coverage to public entities in the state of Ohio. 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.

The City is also exposed to a risk of loss related to employee health care costs. On January 1, 2016, the City became self-insured for employee health care benefits. The program is administered by United Health Care, Inc., which provides claims review, processing services and maintains its own provider network. The self-insurance program is accounted for in the Self-Insurance Fund, which is an internal service fund. The City has recorded a liability for incurred by unreported claims at year end based on a Claim Lag Study Report by United Health Care, Inc. The City has purchased stop-loss insurance coverage with a specific deductible of \$100,000 per insured individual, with a plan aggregate limit of \$1,000,000, to limit the City’s liability. The liability for unpaid health care claims after December 31, 2016 was \$79,517.

NOTE 17 - 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.

NOTE 18 – PUBLIC ENTITIES POOL OF OHIO

PEP is a local government risk pool that offers comprehensive liability and property coverages specifically tailored to meet the needs of Ohio public entities and provides an alternative to traditional insurance. PEP differs philosophically from traditional insurance programs in that PEP is owned by its members and serves only its members’ interest. PEP is endorsed by the Association of Ohio Health Commissioners and the Ohio Parks and Recreation Association.

PEP is governed by a seven-member board elected by the members of PEP. The City pays annual premiums for the coverage it is provided based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio 45402.

Changes in claims activity for employee health care benefits for 2016 is as follows:

Balance at Beginning of Year	Curret Year Claims	Claim Payments	Balance End of Year
\$94,411	\$1,672,495	\$1,687,389	\$79,517

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

Note 19 – Restatement of Net Position

The Net Position of the Governmental Activities on the Statement of Net Position has been restated from balances previously reported to correct errors made in prior years. The City took ownership of two properties, for which they did not intend to control for long, and intended to sell the properties for development. These properties included the H&A Property and the Simon Kenton property. Due to different circumstances, the City was not able to quickly find a development option for these properties and they should have been setup as assets in the interim.

	Governmental Activities
Total Net Position at December 31, 2015 (as reported)	\$ 28,036,597
H&A Land	\$ 230,821
Simon Kenton School Land	\$ 459,850
Simon Kenton Land	\$ 126,500
Simon Kenton Building	\$ 1,883,380
Total Net Position at December 31, 2015 (as restated)	<u>\$ 30,737,148</u>

The Net Position of the Sewer and Storm Sewer funds on the Proprietary Funds' Statement of Revenues, Expenses and Changes in Fund Net Position have been restated from balances previously reported to correct errors made in 2015. In 2015 the City should have setup the Inlets and Catch Basins and Storm/Sewer Pipes under the Storm Sewer infrastructure, not under Sewer infrastructure. This restatement only affects the individual fund net positions, as there is no change to the overall Proprietary Net Position.

	Sewer Fund	Storm Sewer Fund
Total Net Position at December 31, 2015 (as reported)	\$ 11,131,740	\$ 6,227,748
Inlets & Catch Basins	\$ (87,500)	\$ 87,500
Storm/Sewer Pipes	\$ (474,608)	\$ 474,608
Total Net Position at December 31, 2015 (as restated)	<u>\$ 10,569,632</u>	<u>\$ 6,789,856</u>

Note 20 - Subsequent Events

On October 12, 2017, City Council authorized the issuance of general obligation bonds not to exceed \$1,025,000 for the leasing space in the REACH center.

On November 9, 2017, City Council authorized a lease agreement with the YMCA of Greater Dayton and a sub-lease agreement with the Xenia Adult Recreation and Services Center. The leases pertain to the REACH facility site.

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

Note 21 – Implementation of New Accounting Principles

For the fiscal year ended December 31, 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the City's note disclosures.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the City.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the City.

CITY OF XENIA, OHIO

*Schedule of City's Proportionate Share of the Net Pension Liability
Last Three Years*

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.054554%	0.054554%	0.055075%
City's proportionate share of the net pension liability (asset)	\$6,431,206	\$6,579,822	\$9,539,641
City's covered-employee payroll	\$6,880,346	\$6,687,167	\$6,854,608
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	93.47%	98.39%	139.17%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.3134450%	0.3134450%	0.307138%
City's proportionate share of the net pension liability (asset)	\$15,265,754	\$16,237,757	\$19,758,392
City's covered-employee payroll	\$6,836,505	\$6,433,998	\$6,562,778
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	223.30%	252.37%	301.07%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

CITY OF XENIA, OHIO

*Schedule of City Contributions
Last Four Years*

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	\$894,445	\$802,460	\$822,553	\$885,588
Contributions in relation to the contractually required contribution	894,445	802,460	822,553	885,588
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered-employee payroll	\$6,880,346	\$6,687,167	\$6,854,608	\$7,379,900
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	\$1,167,675	\$1,309,962	\$1,318,462	\$1,391,635
Contributions in relation to the contractually required contribution	1,167,675	1,309,962	1,318,462	1,391,635
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered-employee payroll	\$6,836,505	\$6,433,998	\$6,562,778	\$7,324,395
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%	19.00%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.
Information prior to 2013 is not available.

COMBINING AND **I**NDIVIDUAL **F**UND
STATEMENTS AND **S**CHEDULES

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 or committed to expenditures for specified purposes.

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.

Probation Services Fund

To account for grant dollars received and fines and fees collected for probation service functions. Uses are restricted for community based corrections programs.

State Route Repair Fund

To account for the portion of gasoline tax and motor vehicle license fees required by state law to be used 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. Uses are 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). Uses are restricted by state law and local ordinance for improvements other than those directly benefiting the Urban Renewal zone.

(Continued)

Special Revenue Funds

911 Fund

To account for 911 surcharges related to wireless communications. Uses are restricted by state law to design, upgrade, purchase, lease, program, install, test, or maintain various aspects of the communication center.

Law Enforcement Fund

To account for the proceeds from sales of contraband seized during arrests on felony charges. To be used for law enforcement functions.

Drug Law Enforcement Fund

To account for proceeds of drug offenses, fines, and bond forfeitures. To be used for law enforcement functions.

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

General Obligation Bond Payment Fund

To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

2015 General Obligation Bond Retirement Fund

To account for the accumulation of resources and payment of general obligation bond principal and interest for the 2015 City Administration Building construction and the Justice Center remodel. This fund was established during 2015.

Capital Projects Funds

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

Municipal Court Capital Improvements Fund

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

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.

Police/Fire Capital Improvement Fund

To account for financial resources to be used for the acquisition or construction of major capital facilities or equipment associated with the Public Safety. This fund was established during 2015.

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CITY OF XENIA, OHIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 785,569	\$ 39,470	\$ 443,827	\$ 1,268,866
Investments	1,058,061	53,164	597,768	1,708,993
Receivables:				
Taxes, including interest, penalties and liens	2,500	61,042	0	63,542
Intergovernmental	133,869	9,462	0	143,331
Accounts	13,816	0	0	13,816
Accrued interest	1,755	102	967	2,824
Grants	58,861	0	49,898	108,759
Prepaid items	45,256	0	0	45,256
Total Assets	\$ 2,099,687	\$ 163,240	\$ 1,092,460	\$ 3,355,387
Liabilities:				
Accounts payable	\$ 24,976	\$ 0	\$ 11,800	36,776
Accrued payroll	21,174	0	463	21,637
Total Liabilities	46,150	0	12,263	58,413
Deferred Inflows of Resources				
Property Taxes Levied for the Next Fiscal Year	2,500	58,794	0	61,294
Delinquent Property Tax Revenue Unavailable	0	2,248	0	2,248
Unavailable Revenue - Other	86,487	9,493	50,194	146,174
Total Deferred Inflows of Resources	88,987	70,535	50,194	209,716
Fund Balances:				
Nonspendable Fund balance				
Prepaid items	45,256	0	0	45,256
Restricted Fund Balance	1,671,943	92,705	1,030,003	2,794,651
Committed Fund Balance	247,351	0	0	247,351
Total Fund Balances	1,964,550	92,705	1,030,003	3,087,258
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,099,687	\$ 163,240	\$ 1,092,460	\$ 3,355,387

CITY OF XENIA, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other local taxes	\$ 50,609	\$ 60,695	\$ 0	\$ 111,304
State shared taxes and permits	424,840	14,065	0	438,905
Intergovernmental grants	307,808	0	0	307,808
Charges for services	8,180	0	0	8,180
Fines, costs, forfeitures, licenses and permits	292,940	0	82,991	375,931
Miscellaneous receipts and reimbursements, including interest	137,906	1,573	41,806	181,285
Total Revenue	1,222,283	76,333	124,797	1,423,413
Expenditures:				
Current:				
General government	742,356	0	14,607	756,963
Public safety	163,160	242	0	163,402
Highways and streets	92,175	239	0	92,414
Urban redevelopment & Housing	5,701	0	0	5,701
Economic Development & Assistance	54,648	0	0	54,648
Capital outlay	422,094	0	436,186	858,280
Debt service:				
Principal retirement	32,500	332,500	294,570	659,570
Interest & fiscal charges	4,290	262,210	22,927	289,427
Total Expenditures	1,516,924	595,191	768,290	2,880,405
Excess (deficiency) of revenues over expenditures	(294,641)	(518,858)	(643,493)	(1,456,992)
Other financing sources (uses):				
Capital leases initiated	0	0	194,470	194,470
Proceeds from GO Bonds	0	0	0	0
Original Issue Premium	0	0	0	0
Transfers in	255,000	518,302	788,190	1,561,492
Total other financing sources (uses)	255,000	518,302	982,660	1,755,962
Net change in fund balances	(39,641)	(556)	339,167	298,970
Fund Balances at Beginning of Year	2,004,191	93,261	690,836	2,788,288
Fund Balances End of Year	\$ 1,964,550	\$ 92,705	\$ 1,030,003	\$ 3,087,258

CITY OF XENIA, OHIO

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	Indigent Driver Alcohol Treatment	Law Enforcement and Education	Probation Service Fund	State Route Repair	City Motor Vehicle License Tax
Assets:					
Cash and cash equivalents	\$ 87,675	\$ 5,872	\$ 4,027	\$ 66,405	\$ 44,369
Investments	118,086	7,909	5,420	89,441	59,755
Receivables:					
Taxes, including interest, penalties and liens	0	0	0	0	0
Intergovernmental	0	0	0	41,143	92,726
Accounts	0	0	0	0	0
Accrued interest	250	17	11	166	124
Grants	0	0	31,292	0	0
Prepaid items	25,000	0	0	0	0
Total Assets	\$ 231,011	\$ 13,798	\$ 40,750	\$ 197,155	\$ 196,974
Liabilities:					
Accounts payable	\$ 2,419	\$ 0	\$ 1,606	\$ 20,071	\$ 0
Accrued payroll	0	0	10,829	95	0
Total Liabilities	2,419	0	12,435	20,166	0
Deferred Inflows of Resources					
Property Taxes Levied for the Next Fiscal Year	0	0	0	0	0
Unavailable Revenue - Other	77	5	3	25,278	60,761
Total Deferred Inflows of Resources	77	5	3	25,278	60,761
Fund Balances:					
Nonspendable Fund Balance					
Prepaid items	25,000	0	0	0	0
Restricted Fund Balance	203,515	13,793	28,312	151,711	136,213
Committed Fund Balance	0	0	0	0	0
Total Fund Balances	228,515	13,793	28,312	151,711	136,213
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 231,011	\$ 13,798	\$ 40,750	\$ 197,155	\$ 196,974

CITY OF XENIA, OHIO

County Motor Vehicle License Tax	Special Miscellaneous Improvements	Tax Increment Equivalent	911 Fund	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Nonmajor Special Revenue Funds
\$ 11,432	\$ 105,492	\$ 19,965	\$ 198,651	\$ 224,875	\$ 15,886	\$ 920	\$ 785,569
15,400	142,087	26,892	267,559	302,881	21,394	1,237	1,058,061
0	0	2,500	0	0	0	0	2,500
0	0	0	0	0	0	0	133,869
0	0	0	13,816	0	0	0	13,816
33	0	0	494	614	35	11	1,755
0	0	0	0	0	0	27,569	58,861
0	0	5,570	4,186	10,500	0	0	45,256
<u>\$ 26,865</u>	<u>\$ 247,579</u>	<u>\$ 54,927</u>	<u>\$ 484,706</u>	<u>\$ 538,870</u>	<u>\$ 37,315</u>	<u>\$ 29,737</u>	<u>\$ 2,099,687</u>
\$ 0	\$ 0	\$ 100	\$ 0	\$ 780	\$ 0	\$ 0	\$ 24,976
0	228	0	2,868	0	0	7,154	21,174
0	228	100	2,868	780	0	7,154	46,150
0	0	2,500	0	0	0	0	2,500
10	0	0	151	188	11	3	86,487
10	0	2,500	151	188	11	3	88,987
0	0	5,570	4,186	10,500	0	0	45,256
26,855	0	46,757	477,501	527,402	37,304	22,580	1,671,943
0	247,351	0	0	0	0	0	247,351
<u>26,855</u>	<u>247,351</u>	<u>52,327</u>	<u>481,687</u>	<u>537,902</u>	<u>37,304</u>	<u>22,580</u>	<u>1,964,550</u>
<u>\$ 26,865</u>	<u>\$ 247,579</u>	<u>\$ 54,927</u>	<u>\$ 484,706</u>	<u>\$ 538,870</u>	<u>\$ 37,315</u>	<u>\$ 29,737</u>	<u>\$ 2,099,687</u>

CITY OF XENIA, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Indigent Driver Alcohol Treatment	Law Enforcement and Education	Probation Service Fund	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	78,983	173,864
Intergovernmental grants	0	0	125,167	0	0
Charges for services	0	0	8,180	0	0
Fines, costs, forfeitures, licenses and permits	30,662	853	67,781	0	0
Miscellaneous receipts and reimbursements, including interest	1,588	98	1,072	1,078	1,279
Total Revenue	32,250	951	202,200	80,061	175,143
Expenditures:					
Current:					
General government	69,492	0	411,359	0	0
Public safety	0	3,817	0	0	0
Highways and streets	0	0	0	79,975	0
Urban redevelopment & Housing	0	0	0	0	0
Economic Development & Assistance	0	0	0	0	0
Capital outlay	0	0	0	0	150,000
Debt service:					
Principal retirement	0	0	0	0	32,500
Interest & fiscal charges	0	0	0	0	4,290
Total Expenditures	69,492	3,817	411,359	79,975	186,790
Excess (deficiency) of revenues over expenditures	(37,242)	(2,866)	(209,159)	86	(11,647)
Other financing sources (uses):					
Transfers in	0	0	210,000	0	0
Total other financing sources (uses)	0	0	210,000	0	0
Net Change in Fund Balances	(37,242)	(2,866)	841	86	(11,647)
Fund Balances at Beginning of Year	265,757	16,659	27,471	151,625	147,860
Fund Balances End of Year	\$ 228,515	\$ 13,793	\$ 28,312	\$ 151,711	\$ 136,213

CITY OF XENIA, OHIO

County Motor Vehicle License Tax	Special Miscellaneous Improvements	Tax Increment Equivalent	911 Fund	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 50,609	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,609
171,993	0	0	0	0	0	0	424,840
0	0	0	0	3,675	0	178,966	307,808
0	0	0	0	0	0	0	8,180
0	0	0	152,980	0	12,020	28,644	292,940
233	73,255	203	31,303	27,182	164	451	137,906
172,226	73,255	50,812	184,283	30,857	12,184	208,061	1,222,283
0	132	791	0	0	0	260,582	742,356
0	0	0	127,980	30,978	385	0	163,160
0	12,100	100	0	0	0	0	92,175
0	5,701	0	0	0	0	0	5,701
0	0	54,648	0	0	0	0	54,648
177,402	57,665	0	0	37,027	0	0	422,094
0	0	0	0	0	0	0	32,500
0	0	0	0	0	0	0	4,290
177,402	75,598	55,539	127,980	68,005	385	260,582	1,516,924
(5,176)	(2,343)	(4,727)	56,303	(37,148)	11,799	(52,521)	(294,641)
0	0	0	0	0	0	45,000	255,000
0	0	0	0	0	0	45,000	255,000
(5,176)	(2,343)	(4,727)	56,303	(37,148)	11,799	(7,521)	(39,641)
32,031	249,694	57,054	425,384	575,050	25,505	30,101	2,004,191
<u>\$ 26,855</u>	<u>\$ 247,351</u>	<u>\$ 52,327</u>	<u>\$ 481,687</u>	<u>\$ 537,902</u>	<u>\$ 37,304</u>	<u>\$ 22,580</u>	<u>\$ 1,964,550</u>

CITY OF XENIA, OHIO

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2016**

	General Obligation Bond Payment	2015 General Obligation Bond Retirement	Total Debt Service Funds
Assets:			
Cash and cash equivalents	\$ 39,070	\$ 400	\$ 39,470
Investments	52,625	539	53,164
Receivables:			
Taxes, including interest, penalties and liens	61,042	0	61,042
Intergovernmental	9,462	0	9,462
Accrued interest	102	0	102
Total Assets	\$ 162,301	\$ 939	\$ 163,240
Deferred Inflows of Resources			
Property Taxes Levied for the Next Fiscal Year	58,794	0	58,794
Delinquent Property Tax Revenue Unavailable	2,248	0	2,248
Unavailable Revenue - Other	9,493	0	9,493
Total Deferred Inflows of Resources	70,535	0	70,535
Fund Balances:			
Nonspendable Fund balance			
Restricted Fund Balance	91,766	939	92,705
Total Fund Balances	91,766	939	92,705
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 162,301	\$ 939	\$ 163,240

CITY OF XENIA, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Obligation Bond Payment	2015 General Obligation Bond Retirement	Total Debt Service Funds
Revenues:			
Other local taxes	\$ 60,695	\$ 0	\$ 60,695
State shared taxes and permits	14,065	0	14,065
Miscellaneous receipts and reimbursements, including interest	638	935	1,573
Total Revenue	75,398	935	76,333
Expenditures:			
Current:			
Public safety	242	0	242
Highways and streets	239	0	239
Debt service:			
Principal retirement	67,500	265,000	332,500
Interest & fiscal charges	8,910	253,300	262,210
Total Expenditures	76,891	518,300	595,191
Excess (deficiency) of revenues over expenditures	(1,493)	(517,365)	(518,858)
Other financing sources (uses):			
Transfers in	0	518,302	518,302
Total other financing sources (uses)	0	518,302	518,302
Net change in fund balances	(1,493)	937	(556)
Fund Balances at Beginning of Year	93,259	2	93,261
Fund Balances End of Year	\$ 91,766	\$ 939	\$ 92,705

CITY OF XENIA, OHIO

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016**

	Municipal Court Capital Improvements	Issue II	Police/Fire Capital	Total Nonmajor Capital Projects Funds
Assets:				
Cash and cash equivalents	\$ 163,119	\$ 390	\$ 280,318	\$ 443,827
Investments	219,694	525	377,549	597,768
Receivables:				
Accrued interest	411	0	556	967
Grants	0	0	49,898	49,898
Prepaid items	0	0	0	0
Total Assets	\$ 383,224	\$ 915	\$ 708,321	\$ 1,092,460
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 11,800	11,800
Accrued Payroll	\$ 463	\$ 0	\$ 0	463
Total Liabilities	463	0	11,800	12,263
Deferred Inflows of Resources				
Unavailable Revenue - Other	126	0	50,068	50,194
Total Deferred Inflows of Resources	126	0	50,068	50,194
Fund Balances:				
Nonspendable Fund Balance				
Prepaid items	0	0	0	0
Restricted Fund Balance	382,635	915	646,453	1,030,003
Total Fund Balances	382,635	915	646,453	1,030,003
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 383,224	\$ 915	\$ 708,321	\$ 1,092,460

CITY OF XENIA, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Municipal Court Capital Improvements	Issue II	Police/Fire Capital	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental grants	\$ 0	\$ 0	\$ 0	\$ 0
Fines, costs, forfeitures, licenses and permits	82,991	0	0	82,991
Miscellaneous receipts and reimbursements, including interest	2,534	0	39,272	41,806
Total Revenue	85,525	0	39,272	124,797
Expenditures:				
Current:				
General government	14,607	0	0	14,607
Capital outlay	46,201	1	389,984	436,186
Debt service:				
Principal retirement	1,996	0	292,574	294,570
Interest & fiscal charges	43	0	22,884	22,927
Total Expenditures	62,847	1	705,442	768,290
Excess (deficiency) of revenues over expenditures	22,678	(1)	(666,170)	(643,493)
Other financing sources (uses):				
Capital leases initiated	0	0	194,470	194,470
Transfers in	0	0	788,190	788,190
Total other financing sources (uses)	0	0	982,660	982,660
Net change in fund balances	22,678	(1)	316,490	339,167
Fund Balances at Beginning of Year	359,957	916	329,963	690,836
Fund Balances End of Year	\$ 382,635	\$ 915	\$ 646,453	\$ 1,030,003

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 5,497,000	\$ 5,497,000	\$ 5,731,966	\$ 234,966
Other Local Taxes	1,170,000	1,170,000	1,161,791	(8,209)
State Shared Taxes and Permits	955,226	955,226	960,430	5,204
Charges for Services	29,500	29,500	95,865	66,365
Fines, Costs, Forfeitures, Licenses and Permits	860,700	860,700	1,010,677	149,977
Miscellaneous Receipts and Reimbursements, Including Interest	422,080	422,080	338,915	(83,165)
Total Revenues	<u>8,934,506</u>	<u>8,934,506</u>	<u>9,299,644</u>	<u>365,138</u>
Expenditures:				
General Government:				
City Council and General Government:				
Personnel Services	35,409	35,409	34,139	1,270
General Operating Expenses	23,790	23,790	9,508	14,282
Contractual Services	130,533	130,483	103,254	27,229
Materials and Supplies	2,743	2,793	1,788	1,005
Contributions	91,000	91,000	91,001	(1)
Total City Council and General Government	<u>283,475</u>	<u>283,475</u>	<u>239,690</u>	<u>43,785</u>
Municipal Court:				
Personnel Services	1,041,422	1,041,422	940,946	100,476
General Operating Expenses	71,395	72,365	20,970	51,395
Contractual Services	310,887	310,685	168,795	141,890
Materials and Supplies	13,080	12,312	8,372	3,940
Contributions	31,000	31,000	26,816	4,184
Total Municipal Court	<u>1,467,784</u>	<u>1,467,784</u>	<u>1,165,899</u>	<u>301,885</u>
City Law Department:				
Personnel Services	89,470	138,670	138,574	96
General Operating Expenses	9,475	9,475	1,528	7,947
Contractual Services	32,501	32,526	20,626	11,900
Materials and Supplies	8,753	8,728	5,251	3,477
Total City Law Department	<u>140,199</u>	<u>189,399</u>	<u>165,979</u>	<u>23,420</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
City Manager's Office:				
Personnel Services	134,097	134,097	116,485	17,612
General Operating Expenses	12,745	11,845	4,933	6,912
Contractual Services	86,214	86,264	78,607	7,657
Materials and Supplies	4,852	5,702	2,781	2,921
Total City Manager's Office	237,908	237,908	202,806	35,102
Personnel Office:				
Personnel Services	26,011	26,011	25,876	135
General Operating Expenses	6,950	3,705	2,548	1,157
Contractual Services	73,970	75,535	51,241	24,294
Materials and Supplies	6,259	7,939	3,430	4,509
Total Personnel Office	113,190	113,190	83,095	30,095
Finance Office:				
Personnel Services	92,009	92,009	83,826	8,183
General Operating Expenses	6,715	2,115	625	1,490
Contractual Services	47,662	52,262	49,076	3,186
Materials and Supplies	3,975	3,975	3,407	568
Total Finance Office	150,361	150,361	136,934	13,427
Income Tax:				
Personnel Services	343,016	343,016	337,759	5,257
General Operating Expenses	23,613	21,613	5,637	15,976
Contractual Services	76,676	78,676	50,544	28,132
Materials and Supplies	6,044	6,044	4,398	1,646
Total Income Tax	449,349	449,349	398,338	51,011
Municipal Building and General Services:				
General Operating Expenses	7,600	1,059	0	1,059
Contractual Services	260,932	279,602	219,614	59,988
Materials and Supplies	6,510	11,303	8,205	3,098
Total Municipal Building and General Services	275,042	291,964	227,819	64,145

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Data Processing:				
Personnel Services	73,047	73,047	70,920	2,127
Contractual Services	1,504	1,504	0	1,504
Total Data Processing	<u>74,551</u>	<u>74,551</u>	<u>70,920</u>	<u>3,631</u>
Clerk of City Council:				
Personnel Services	33,243	33,243	29,958	3,285
General Operating Expenses	2,765	2,765	45	2,720
Contractual Services	35,357	35,357	27,152	8,205
Materials and Supplies	2,319	2,319	1,972	347
Total Clerk of City Council	<u>73,684</u>	<u>73,684</u>	<u>59,127</u>	<u>14,557</u>
Volunteer Program:				
General Operating Expenses	120	120	0	120
Total Volunteer Program	<u>120</u>	<u>120</u>	<u>0</u>	<u>120</u>
Public Affairs & CATV:				
Personnel Services	1,414	1,414	0	1,414
General Operating Expenses	6,800	3,495	725	2,770
Contractual Services	41,186	44,896	23,855	21,041
Materials and Supplies	31,200	32,785	20,911	11,874
Total Public Affairs & CATV	<u>80,600</u>	<u>82,590</u>	<u>45,491</u>	<u>37,099</u>
Property Maintenance:				
Personnel Services	27,980	27,980	27,647	333
General Operating Expenses	3,765	3,765	145	3,620
Contractual Services	67,978	67,978	51,928	16,050
Materials and Supplies	1,120	1,120	785	335
Total Property Maintenance	<u>100,843</u>	<u>100,843</u>	<u>80,505</u>	<u>20,338</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Planning:				
Personnel Services	105,303	105,303	105,147	156
General Operating Expenses	7,905	7,905	1,970	5,935
Contractual Services	72,462	72,157	62,315	9,842
Materials and Supplies	940	1,245	971	274
Total Planning	186,610	186,610	170,403	16,207
Total General Government	3,633,716	3,701,828	3,047,006	654,822
Civil Defense:				
General Operating Expenses	600	600	0	600
Contractual Services	19,076	19,076	16,997	2,079
Materials and Supplies	1,700	1,700	962	738
Total Civil Defense	21,376	21,376	17,959	3,417
Engineering:				
Personnel Services	32,157	32,157	30,942	1,215
General Operating Expenses	5,400	5,400	1,107	4,293
Contractual Services	54,190	54,190	30,606	23,584
Materials and Supplies	3,110	3,110	1,713	1,397
Total Engineering	94,857	94,857	64,368	30,489
Construction Inspection:				
Personnel Services	23,591	23,591	22,261	1,330
General Operating Expenses	1,350	1,350	40	1,310
Contractual Services	8,003	8,129	7,640	489
Materials and Supplies	2,800	2,674	946	1,728
Total Construction Inspection	35,744	35,744	30,887	4,857
Total Public Safety	151,977	151,977	113,214	38,763
Economic Development & Assistance:				
Personnel Services	125,975	125,975	112,702	13,273
General Operating Expenses	6,000	3,500	0	3,500
Contractual Services	8,957	8,957	4,753	4,204
Materials and Supplies	250	250	0	250
Contributions	0	2,500	2,500	0
Total Economic Development & Assistance	141,182	141,182	119,955	21,227

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Highways and Streets:				
Street Lighting:				
General Operating Expenses	10,000	10,000	0	10,000
Contractual Services	268,166	268,166	247,375	20,791
Total Highways and Streets	<u>278,166</u>	<u>278,166</u>	<u>247,375</u>	<u>30,791</u>
Urban Redevelopment and Housing:				
Personnel Services	72,524	72,524	70,046	2,478
General Operating Expenses	6,550	5,100	4,441	659
Contractual Services	15,610	17,060	13,402	3,658
Materials and Supplies	780	780	555	225
Total Urban Redevelopment & Housing	<u>95,464</u>	<u>95,464</u>	<u>88,444</u>	<u>7,020</u>
Xenia Station:				
General Operating Expenses	680	680	0	680
Contractual Services	15,646	15,716	10,126	5,590
Materials and Supplies	6,180	6,110	3,021	3,089
Total Xenia Station	<u>22,506</u>	<u>22,506</u>	<u>13,147</u>	<u>9,359</u>
General Park Maintenance:				
Personnel Services	98,165	98,165	76,907	21,258
General Operating Expenses	8,800	1,070	70	1,000
Contractual Services	159,039	166,074	134,231	31,843
Materials and Supplies	33,232	32,632	19,689	12,943
Total General Park Maintenance	<u>299,236</u>	<u>297,941</u>	<u>230,897</u>	<u>67,044</u>
Total Recreation	<u>321,742</u>	<u>320,447</u>	<u>244,044</u>	<u>76,403</u>
Debt Service:				
Total Expenditures	<u>4,622,247</u>	<u>4,689,064</u>	<u>3,860,038</u>	<u>829,026</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	4,312,259	4,245,442	5,439,606	1,194,164

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Other Financing Sources (Uses):				
Transfers In	13,000	13,000	3,000	(10,000)
Transfers Out	(5,746,190)	(5,771,190)	(4,929,325)	841,865
Advances In	0	900,000	0	(900,000)
Advances Out	0	(900,000)	(400,000)	500,000
Total Other Financing Sources (Uses)	<u>(5,733,190)</u>	<u>(5,758,190)</u>	<u>(5,326,325)</u>	<u>431,865</u>
Net Change in Fund Balance	(1,420,931)	(1,512,748)	113,281	1,626,029
Fund Balance at Beginning of Year	1,717,830	1,717,830	1,717,830	0
Prior Year Encumbrances	215,736	215,736	215,736	0
Fund Balance at End of Year	<u>\$ 512,635</u>	<u>\$ 420,818</u>	<u>\$ 2,046,847</u>	<u>\$ 1,626,029</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

STATE GAS AND VEHICLE LICENSE				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State Shared Taxes and Permits	\$ 975,000	\$ 975,000	\$ 967,799	\$ (7,201)
Charges for Services	4,000	4,000	3,090	(910)
Miscellaneous Receipts and Reimbursements, Including Interest	3,500	3,500	6,730	3,230
Total Revenues	<u>982,500</u>	<u>982,500</u>	<u>977,619</u>	<u>(4,881)</u>
Expenditures:				
Highways and Streets - Current:				
Personnel Services	768,260	768,260	711,783	56,477
General Operating	45,765	39,471	0	39,471
Contractual Services	166,590	171,550	130,331	41,219
Materials and Supplies	232,929	234,263	125,230	109,033
Non-governmental	4,000	4,000	0	4,000
Total Expenditures	<u>1,217,544</u>	<u>1,217,544</u>	<u>967,344</u>	<u>250,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,044)	(235,044)	10,275	245,319
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	0	(100,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>(100,000)</u>
Net Change in Fund Balance	(135,044)	(135,044)	10,275	145,319
Fund Balance at Beginning of Year	145,874	145,874	145,874	0
Prior Year Encumbrances	55,649	55,649	55,649	0
Fund Balance at End of Year	<u>\$ 66,479</u>	<u>\$ 66,479</u>	<u>\$ 211,798</u>	<u>\$ 145,319</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

POLICE AND FIRE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 5,500,000	\$ 5,500,000	\$ 5,694,439	\$ 194,439
Other Local Taxes	200,000	200,000	189,374	(10,626)
State Shared Taxes and Permits	34,300	34,300	27,618	(6,682)
Intergovernmental Grants	321,803	321,803	115,262	(206,541)
Charges for Services	2,316,824	2,316,824	2,192,340	(124,484)
Fines, Costs, Forfeitures, Licenses and Permits	14,000	14,000	7,280	(6,720)
Miscellaneous Receipts and Reimbursements, Including Interest	256,000	256,000	200,602	(55,398)
Total Revenues	<u>8,642,927</u>	<u>8,642,927</u>	<u>8,426,915</u>	<u>(216,012)</u>
Expenditures:				
Public Safety - Current:				
Police:				
Personnel Services	5,280,227	5,280,227	5,010,705	269,522
General Operating	103,780	101,808	29,215	72,593
Contractual Services	653,188	661,655	499,870	161,785
Materials and Supplies	145,375	138,880	89,171	49,709
Total Police	<u>6,182,570</u>	<u>6,182,570</u>	<u>5,628,961</u>	<u>553,609</u>
Fire:				
Personnel Services	4,517,991	4,517,991	4,395,455	122,536
General Operating	77,394	70,294	16,880	53,414
Contractual Services	520,541	515,088	447,990	67,098
Materials & Supplies	138,655	151,208	124,718	26,490
Total Fire	<u>5,254,581</u>	<u>5,254,581</u>	<u>4,985,043</u>	<u>269,538</u>
Communications:				
Personnel Services	1,657,021	1,657,021	1,532,438	124,583
General Operating Expense	26,950	28,150	7,928	20,222
Contractual Services	184,929	184,479	146,702	37,777
Materials & Supplies	28,134	27,384	22,362	5,022
Total Communications	<u>1,897,034</u>	<u>1,897,034</u>	<u>1,709,430</u>	<u>187,604</u>
Total Public Safety	13,334,185	13,334,185	12,323,434	1,010,751

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
POLICE AND FIRE FUND				
Capital Outlay:				
Capital Improvements	98,050	98,050	79,354	18,696
Total Expenditures	<u>13,432,235</u>	<u>13,432,235</u>	<u>12,402,788</u>	<u>1,029,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,789,308)	(4,789,308)	(3,975,873)	813,435
Other Financing Sources (Uses):				
Transfers In	<u>4,600,000</u>	<u>4,600,000</u>	<u>3,883,135</u>	<u>(716,865)</u>
Total Other Financing Sources (Uses)	<u>4,600,000</u>	<u>4,600,000</u>	<u>3,883,135</u>	<u>(716,865)</u>
Net Change in Fund Balance	(189,308)	(189,308)	(92,738)	96,570
Fund Balance at Beginning of Year	984,629	984,629	984,629	0
Prior Year Encumbrances	<u>123,354</u>	<u>123,354</u>	<u>123,354</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 918,675</u></u>	<u><u>\$ 918,675</u></u>	<u><u>\$ 1,015,245</u></u>	<u><u>\$ 96,570</u></u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

CAPITAL IMPROVEMENTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 1,359,000	\$ 1,359,000	\$ 1,423,610	\$ 64,610
Other Local Taxes	30,000	30,000	40,452	10,452
Intergovernmental Grants	445,600	557,357	93,097	(464,260)
Miscellaneous Receipts and Reimbursements				
Including Interest	258,623	1,063,623	124,297	(939,326)
Total Revenues	<u>2,093,223</u>	<u>3,009,980</u>	<u>1,681,456</u>	<u>(1,328,524)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	746,496	1,194,541	726,972	467,569
Materials and Supplies	109,406	108,382	64,615	43,767
Capital Improvements	2,615,546	2,735,959	1,767,271	968,688
Debt Service:				
Principal Retirement	189,397	189,397	152,164	37,233
Interest and Fiscal Charges	43,273	43,273	21,196	22,077
Total Expenditures	<u>3,704,118</u>	<u>4,271,552</u>	<u>2,732,218</u>	<u>1,539,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,610,895)	(1,261,572)	(1,050,762)	210,810
Other Financing Sources (Uses):				
Proceeds from General Obligation Bonds	1,000,000	1,000,000	1,000,000	0
Transfers Out	(528,944)	(528,944)	(334,304)	194,640
Advances In	0	337,345	0	(337,345)
Advances Out	0	(337,345)	0	337,345
Total Other Financing Sources (Uses)	<u>471,056</u>	<u>471,056</u>	<u>665,696</u>	<u>194,640</u>
Net Change in Fund Balance	(1,139,839)	(790,516)	(385,066)	405,450
Fund Balance at Beginning of Year	271,180	271,180	271,180	0
Prior Year Encumbrances	906,883	906,883	906,883	0
Fund Balance at End of Year	<u>\$ 38,224</u>	<u>\$ 387,547</u>	<u>\$ 792,997</u>	<u>\$ 405,450</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BOND CONSTRUCTION			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Miscellaneous Receipts and Reimbursements,				
Including Interest	\$ 0	\$ 0	\$ 9,071	\$ 9,071
Total Revenues	<u>0</u>	<u>0</u>	<u>9,071</u>	<u>9,071</u>
Expenditures:				
Capital Outlay:				
Contractual Services	169,720	169,720	143,550	26,170
Capital Improvements	6,069,181	6,069,181	6,016,836	52,345
Total Expenditures	<u>6,238,901</u>	<u>6,238,901</u>	<u>6,160,386</u>	<u>78,515</u>
Net Change in Fund Balance	(6,238,901)	(6,238,901)	(6,151,315)	87,586
Fund Balance at Beginning of Year	609,708	609,708	609,708	0
Prior Year Encumbrances	5,629,194	5,629,194	5,629,194	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 87,587</u>	<u>\$ 87,586</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

INDIGENT DRIVER ALCOHOL TREATMENT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 45,000	\$ 45,000	\$ 30,383	\$ (14,617)
Miscellaneous Receipts and Reimbursements, Including Interest	1,200	1,200	1,916	716
Total Revenues	<u>46,200</u>	<u>46,200</u>	<u>32,299</u>	<u>(13,901)</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	23,391	23,391	23,392	(1)
Contributions	50,000	50,000	50,000	0
Total Expenditures	<u>73,391</u>	<u>73,391</u>	<u>73,392</u>	<u>(1)</u>
Net Change in Fund Balance	(27,191)	(27,191)	(41,093)	(13,902)
Fund Balance at Beginning of Year	236,609	236,609	236,609	0
Prior Year Encumbrances	3,391	3,391	3,391	0
Fund Balance at End of Year	<u>\$ 212,809</u>	<u>\$ 212,809</u>	<u>\$ 198,907</u>	<u>\$ (13,902)</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

LAW ENFORCEMENT AND EDUCATION				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 1,500	\$ 1,500	\$ 743	\$ (757)
Miscellaneous Receipts and Reimbursements, Including Interest	100	100	120	20
Total Revenues	<u>1,600</u>	<u>1,600</u>	<u>863</u>	<u>(737)</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	6,500	6,500	3,120	3,380
Materials and Supplies	6,000	6,000	1,937	4,063
Total Expenditures	<u>12,500</u>	<u>12,500</u>	<u>5,057</u>	<u>7,443</u>
Net Change in Fund Balance	(10,900)	(10,900)	(4,194)	6,706
Fund Balance at Beginning of Year	16,308	16,308	16,308	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$ 5,408</u>	<u>\$ 5,408</u>	<u>\$ 12,114</u>	<u>\$ 6,706</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROBATION SERVICES				
Revenues:				
Intergovernmental Grants	\$ 125,000	\$ 125,000	\$ 125,167	\$ 167
Charges for Services	7,000	7,000	8,180	1,180
Fines, Costs, Forfeitures, Licenses and Permits	85,000	85,000	70,549	(14,451)
Miscellaneous Receipts and Reimbursements, Including Interest	100	100	1,098	998
Total Revenues	<u>217,100</u>	<u>217,100</u>	<u>204,994</u>	<u>(12,106)</u>
Expenditures:				
Public Safety - Current:				
Personnel Services	379,731	379,731	370,672	9,059
General Operating	20,100	21,291	3,170	18,121
Contractual Services	77,528	76,337	73,812	2,525
Materials and Supplies	9,261	9,261	4,894	4,367
Capital Outlay	1,500	1,500	0	1,500
Total Expenditures	<u>488,120</u>	<u>488,120</u>	<u>452,548</u>	<u>35,572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(271,020)	(271,020)	(247,554)	23,466
Other Financing Sources (Uses):				
Transfers In	256,000	256,000	210,000	(46,000)
Total Other Financing Sources (Uses)	<u>256,000</u>	<u>256,000</u>	<u>210,000</u>	<u>(46,000)</u>
Net Change in Fund Balance	(15,020)	(15,020)	(37,554)	(22,534)
Fund Balance at Beginning of Year	(814)	(814)	(814)	0
Prior Year Encumbrances	15,938	15,938	15,938	0
Fund Balance at End of Year	<u>\$ 104</u>	<u>\$ 104</u>	<u>\$ (22,430)</u>	<u>\$ (22,534)</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STATE ROUTE REPAIR				
Revenues:				
State Shared Taxes and Permits	\$ 80,000	\$ 80,000	\$ 78,470	\$ (1,530)
Miscellaneous Receipts and Reimbursements, Including Interest	750	750	1,334	584
Total Revenues	<u>80,750</u>	<u>80,750</u>	<u>79,804</u>	<u>(946)</u>
Expenditures:				
Highways and Streets - Current:				
Contractual Services	66,796	66,796	57,335	9,461
Materials and Supplies	63,688	63,688	46,066	17,622
Total Expenditures	<u>130,484</u>	<u>130,484</u>	<u>103,401</u>	<u>27,083</u>
Net Change in Fund Balance	(49,734)	(49,734)	(23,597)	26,137
Fund Balance at Beginning of Year	131,137	131,137	131,137	0
Prior Year Encumbrances	7,584	7,584	7,584	0
Fund Balance at End of Year	<u>\$ 88,987</u>	<u>\$ 88,987</u>	<u>\$ 115,124</u>	<u>\$ 26,137</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

CITY MOTOR VEHICLE LICENSE TAX				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
State Shared Taxes and Permits	\$ 170,000	\$ 170,000	\$ 173,053	\$ 3,053
Miscellaneous Receipts and Reimbursements, including Interest	1,000	1,000	1,487	487
Total Revenues	<u>171,000</u>	<u>171,000</u>	<u>174,540</u>	<u>3,540</u>
Expenditures:				
Highways and Streets - Current:				
Capital Outlay	150,000	150,000	150,000	0
Debt Service:				
Principal Retirement	32,500	32,500	32,500	0
Interest and Fiscal Charges	4,291	4,291	4,290	1
Total Expenditures	<u>186,791</u>	<u>186,791</u>	<u>186,790</u>	<u>1</u>
Net Change in Fund Balance	(15,791)	(15,791)	(12,250)	3,541
Fund Balance at Beginning of Year	116,685	116,685	116,685	0
Fund Balance at End of Year	<u>\$ 100,894</u>	<u>\$ 100,894</u>	<u>\$ 104,435</u>	<u>\$ 3,541</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

COUNTY MOTOR VEHICLE LICENSE TAX				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
State Shared Taxes and Permits	\$ 339,000	\$ 339,000	\$ 171,993	\$ (167,007)
Miscellaneous Receipt and Reimbursements, Including Interest	700	700	273	(427)
Total Revenues	<u>339,700</u>	<u>339,700</u>	<u>172,266</u>	<u>(167,434)</u>
Expenditures:				
Highways and Streets - Current:				
Capital Outlay	340,000	359,943	177,402	182,541
Total Expenditures	<u>340,000</u>	<u>359,943</u>	<u>177,402</u>	<u>182,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300)	(20,243)	(5,136)	15,107
Other Financing Sources (Uses):				
Advances In	0	337,345	0	(337,345)
Advances Out	0	(337,345)	0	337,345
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(300)	(20,243)	(5,136)	15,107
Fund Balance at Beginning of Year	32,048	32,048	32,048	0
Fund Balance at End of Year	<u>\$ 31,748</u>	<u>\$ 11,805</u>	<u>\$ 26,912</u>	<u>\$ 15,107</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

SPECIAL MISCELLANEOUS IMPROVEMENTS				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Miscellaneous Receipts and Reimbursements,				
Including Interest	\$ 73,500	\$ 73,500	\$ 73,524	\$ 24
Total Revenues	<u>73,500</u>	<u>73,500</u>	<u>73,524</u>	<u>24</u>
Expenditures:				
General Government - Current:				
Personnel Services	28,009	28,009	10,193	17,816
Contractual Services	42,900	37,900	26,351	11,549
Materials and Supplies	4,950	9,950	6,809	3,141
Capital Outlay	<u>0</u>	<u>57,665</u>	<u>57,665</u>	<u>0</u>
Total Expenditures	<u>75,859</u>	<u>133,524</u>	<u>101,018</u>	<u>32,506</u>
Net Change in Fund Balance	(2,359)	(60,024)	(27,494)	32,530
Fund Balance at Beginning of Year	246,364	246,364	246,364	0
Prior Year Encumbrances	<u>3,801</u>	<u>3,801</u>	<u>3,801</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 247,806</u>	<u>\$ 190,141</u>	<u>\$ 222,671</u>	<u>\$ 32,530</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	TAX INCREMENT EQUIVALENT			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Other Local Taxes	\$ 60,000	\$ 60,000	\$ 50,609	\$ (9,391)
Miscellaneous Receipts and Reimbursements, Including Interest	0	0	222	222
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>50,831</u>	<u>(9,169)</u>
Expenditures:				
General Government - Current:				
General Operating	3,590	3,790	2,087	1,703
Contractual Services	94,691	94,491	80,928	13,563
Materials and Supplies	2,096	2,096	689	1,407
Total Expenditures	<u>100,377</u>	<u>100,377</u>	<u>83,704</u>	<u>16,673</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,377)	(40,377)	(32,873)	7,504
Net Change in Fund Balance	(40,377)	(40,377)	(32,873)	7,504
Fund Balance at Beginning of Year	47,782	47,782	47,782	0
Prior Year Encumbrances	16,415	16,415	16,415	0
Fund Balance at End of Year	<u>\$ 23,820</u>	<u>\$ 23,820</u>	<u>\$ 31,324</u>	<u>\$ 7,504</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	911 FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 160,000	\$ 160,000	\$ 152,980	\$ (7,020)
Miscellaneous Receipts and Reimbursements, Including Interest	26,500	26,500	32,837	6,337
Total Revenues	<u>186,500</u>	<u>186,500</u>	<u>185,817</u>	<u>(683)</u>
Expenditures:				
Public Safety - Current:				
Personnel Services	90,578	90,578	88,154	2,424
Contractual Services	35,200	35,200	23,577	11,623
Materials and Supplies	23,454	23,454	20,207	3,247
Total Expenditures	<u>149,232</u>	<u>149,232</u>	<u>131,938</u>	<u>17,294</u>
Net Change in Fund Balance	37,268	37,268	53,879	16,611
Fund Balance at Beginning of Year	414,043	414,043	414,043	0
Prior Year Encumbrances	954	954	954	0
Fund Balance at End of Year	<u>\$ 452,265</u>	<u>\$ 452,265</u>	<u>\$ 468,876</u>	<u>\$ 16,611</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	LAW ENFORCEMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Grants	\$ 0	\$ 0	\$ 3,675	\$ 3,675
Miscellaneous Receipts and Reimbursements, Including Interest	51,200	51,200	28,041	(23,159)
Total Revenues	<u>51,200</u>	<u>51,200</u>	<u>31,716</u>	<u>(19,484)</u>
Expenditures:				
Public Safety - Current:				
General Operating	0	2,500	1,525	975
Contractual Services	35,125	35,125	19,745	15,380
Materials and Supplies	55,000	52,500	18,618	33,882
Capital Outlay	375,000	375,000	214,599	160,401
Total Expenditures	<u>465,125</u>	<u>465,125</u>	<u>254,487</u>	<u>210,638</u>
Net Change in Fund Balance	(413,925)	(413,925)	(222,771)	191,154
Fund Balance at Beginning of Year	556,217	556,217	556,217	0
Prior Year Encumbrances	8,625	8,625	8,625	0
Fund Balance at End of Year	<u>\$ 150,917</u>	<u>\$ 150,917</u>	<u>\$ 342,071</u>	<u>\$ 191,154</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2016**

DRUG LAW ENFORCEMENT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 11,250	\$ 11,250	\$ 12,020	\$ 770
Miscellaneous Receipts and Reimbursements, Including Interest	200	200	237	37
Total Revenues	<u>11,450</u>	<u>11,450</u>	<u>12,257</u>	<u>807</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	10,385	10,385	385	10,000
Materials and Supplies	5,000	5,000	0	5,000
Total Expenditures	<u>15,385</u>	<u>15,385</u>	<u>385</u>	<u>15,000</u>
Net Change in Fund Balance	(3,935)	(3,935)	11,872	15,807
Fund Balance at Beginning of Year	25,134	25,134	25,134	0
Prior Year Encumbrances	385	385	385	0
Fund Balance at End of Year	<u>\$ 21,584</u>	<u>\$ 21,584</u>	<u>\$ 37,391</u>	<u>\$ 15,807</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

MUNICIPAL COURT VICTIM

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Grants	\$ 189,707	\$ 189,707	\$ 171,137	\$ (18,570)
Fines, Costs, Forfeitures, Licenses and Permits	30,000	30,000	29,620	(380)
Miscellaneous Receipts and Reimbursements, Including Interest	20,100	20,100	433	(19,667)
Total Revenues	<u>239,807</u>	<u>239,807</u>	<u>201,190</u>	<u>(38,617)</u>
Expenditures:				
General Government - Current:				
Personnel Services	263,651	261,528	244,872	16,656
General Operating	6,000	5,200	961	4,239
Contractual Services	16,602	19,640	16,132	3,508
Materials and Supplies	5,260	5,145	3,711	1,434
Total Expenditures	<u>291,513</u>	<u>291,513</u>	<u>265,676</u>	<u>25,837</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,706)	(51,706)	(64,486)	(12,780)
Other Financing Sources (Uses):				
Transfers In	34,000	59,000	45,000	(14,000)
Total Other Financing Sources (Uses)	<u>34,000</u>	<u>59,000</u>	<u>45,000</u>	<u>(14,000)</u>
Net Change in Fund Balance	(17,706)	7,294	(19,486)	(26,780)
Fund Balance at Beginning of Year	17,416	17,416	17,416	0
Prior Year Encumbrances	1,596	1,596	1,596	0
Fund Balance at End of Year	<u>\$ 1,306</u>	<u>\$ 26,306</u>	<u>\$ (474)</u>	<u>\$ (26,780)</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL OBLIGATION BOND PAY

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 64,000	\$ 64,000	\$ 63,124	\$ (876)
State Shares Taxes and Permits	14,859	14,859	14,065	(794)
Miscellaneous Receipts and Reimbursements, Including Interest	500	500	793	293
Total Revenues	<u>79,359</u>	<u>79,359</u>	<u>77,982</u>	<u>(1,377)</u>
Expenditures:				
Public Safety:				
Police and Fire Pension				
Contractual Services	500	500	242	258
Total Public Safety	<u>500</u>	<u>500</u>	<u>242</u>	<u>258</u>
Highways and Streets:				
Streets				
Contractual Services	500	500	239	261
Total Highways and Streets	<u>500</u>	<u>500</u>	<u>239</u>	<u>261</u>
Debt Service:				
Principal Retirement	67,500	67,500	67,500	0
Interest and Fiscal Charges	8,912	8,912	8,910	2
Total Debt Service	<u>76,412</u>	<u>76,412</u>	<u>76,410</u>	<u>2</u>
Total Expenditures	<u>77,412</u>	<u>77,412</u>	<u>76,891</u>	<u>521</u>
Net Change in Fund Balance	1,947	1,947	1,091	(856)
Fund Balance at Beginning of Year	90,878	90,878	90,878	0
Fund Balance at End of Year	<u>\$ 92,825</u>	<u>\$ 92,825</u>	<u>\$ 91,969</u>	<u>\$ (856)</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

2015 GENERAL OBLIGATION RETIREMENT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous Receipts and Reimbursements,				
Including Interest	\$ 0	\$ 0	\$ 938	\$ 938
Total Revenues	<u>0</u>	<u>0</u>	<u>938</u>	<u>938</u>
Expenditures:				
Debt Service:				
Principal Retirement	265,000	265,000	265,000	0
Interest and Fiscal Charges	253,302	253,302	253,300	2
Total Debt Service	<u>518,302</u>	<u>518,302</u>	<u>518,300</u>	<u>2</u>
Total Expenditures	<u>518,302</u>	<u>518,302</u>	<u>518,300</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(518,302)	(518,302)	(517,362)	940
Other Financing Sources (Uses):				
Transfers In	818,673	818,673	518,302	(300,371)
Total Other Financing Sources (Uses)	<u>818,673</u>	<u>818,673</u>	<u>518,302</u>	<u>(300,371)</u>
Net Change in Fund Balance	300,371	300,371	940	(299,431)
Fund Balance at Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 300,373</u>	<u>\$ 300,373</u>	<u>\$ 942</u>	<u>\$ (299,431)</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL COURT CAPITAL IMPROVEMENTS FUND				
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 84,000	\$ 84,000	\$ 84,983	\$ 983
Miscellaneous Receipts and Reimbursements, Including Interest	1,600	1,600	3,177	1,577
Total Revenues	<u>85,600</u>	<u>85,600</u>	<u>88,160</u>	<u>2,560</u>
Expenditures:				
Capital Outlay:				
Personnel Services	14,819	14,819	14,607	212
Contractual Services	225,429	225,429	62,824	162,605
Materials and Supplies	2,750	2,750	0	2,750
Capital Improvements	18,500	18,500	0	18,500
Debt Service:				
Principal Retirement	1,997	1,997	1,996	1
Interest and Fiscal Charges	44	44	43	1
Total Expenditures	<u>263,539</u>	<u>263,539</u>	<u>79,470</u>	<u>184,069</u>
Net Change in Fund Balance	(177,939)	(177,939)	8,690	186,629
Fund Balance at Beginning of Year	343,638	343,638	343,638	0
Prior Year Encumbrances	13,819	13,819	13,819	0
Fund Balance at End of Year	<u>\$ 179,518</u>	<u>\$ 179,518</u>	<u>\$ 366,147</u>	<u>\$ 186,629</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ISSUE II FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Capital Improvements	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	918	918	918	0
Fund Balance at End of Year	<u>\$ 918</u>	<u>\$ 918</u>	<u>\$ 918</u>	<u>\$ 0</u>

CITY OF XENIA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	POLICE/FIRE CAPITAL			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Miscellaneous Receipts and Reimbursements				
Including Interest	\$ 40,000	\$ 40,000	\$ 69,978	\$ 29,978
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>69,978</u>	<u>29,978</u>
Expenditures:				
Capital Outlay:				
Contractual Services	95,250	118,769	118,249	520
Capital Improvements	591,130	585,430	271,735	313,695
Debt Service:				
Principal Retirement	340,511	340,511	322,574	17,937
Interest and Fiscal Charges	27,021	27,021	22,884	4,137
Total Expenditures	<u>1,053,912</u>	<u>1,071,731</u>	<u>735,442</u>	<u>336,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,013,912)	(1,031,731)	(665,464)	366,267
Other Financing Sources (Uses):				
Capital leases initiated	194,444	194,444	194,470	26
Transfers In	788,190	788,190	788,190	0
Total Other Financing Sources (Uses)	<u>982,634</u>	<u>982,634</u>	<u>982,660</u>	<u>26</u>
Net Change in Fund Balance	(31,278)	(49,097)	317,196	366,293
Fund Balance at Beginning of Year	128,678	128,678	128,678	0
Prior Year Encumbrances	201,686	201,686	201,686	0
Fund Balance at End of Year	<u>\$ 299,086</u>	<u>\$ 281,267</u>	<u>\$ 647,560</u>	<u>\$ 366,293</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 for similar economic development activities.

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

**STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2016**

	<u>Loan</u>	<u>Parking Revenue</u>	<u>CDBG & UDAG Revolving Loan</u>	<u>Housing Rehabilitation Loan</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 242,577	\$ 10,018	\$ 27,719	\$ 70,831	\$ 351,145
Investments	326,718	13,492	37,334	95,403	472,947
Receivables:					
Accounts	0	5,490	0	0	5,490
Loans	24,000	0	0	19,153	43,153
Accrued interest	619	29	71	218	937
Grants	0	0	0	0	0
Allowance for uncollectible accounts	0	(5,277)	0	0	(5,277)
Prepaid items	130	164	0	0	294
Total Current Assets	594,044	23,916	65,124	185,605	868,689
Noncurrent Assets:					
Unrestricted:					
Loans receivable (net of current)	147,558	0	0	683,363	830,921
Capital Assets not being depreciated	0	97,810	0	0	97,810
Capital Assets (net of accumulated depreciation)	0	87,418	0	0	87,418
Total Noncurrent Assets	147,558	185,228	0	683,363	1,016,149
Total Assets	\$ 741,602	\$ 209,144	\$ 65,124	\$ 868,968	\$ 1,884,838
Deferred Outflows of Resources					
Pension	\$ 0	\$ 10,771	\$ 0	\$ 1,685	12,456
Total Deferred Outflows of Resources	0	10,771	0	1,685	12,456
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 0	\$ 5,881	\$ 0	\$ 0	\$ 5,881
Accrued payroll	0	958	0	139	1,097
Compensated Absences	0	62	0	45	107
Total Current Liabilities	0	6,901	0	184	7,085
Noncurrent Liabilities					
Compensated Absences	0	895	0	637	1,532
Net Pension Liability	0	27,848	0	4,356	32,204
Total Noncurrent Liabilities	0	28,743	0	4,993	33,736
Total Liabilities	0	35,644	0	5,177	40,821
Deferred Inflows of Resources					
Pension	0	538	0	85	623
Total Deferred Inflows of Resources	0	538	0	85	623
Net Position:					
Net Investment in Capital Assets	0	185,228	0	0	185,228
Unrestricted	741,602	(1,495)	65,124	865,391	1,670,622
Total Net Position	\$ 741,602	\$ 183,733	\$ 65,124	\$ 865,391	\$ 1,855,850

CITY OF XENIA, OHIO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Loan</u>	<u>Parking Revenue</u>	<u>CDBG & UDAG Revolving Loan</u>	<u>Housing Rehabilitation Loan</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:					
Charges for services	\$ 6,732	\$ 40,333	\$ 0	\$ 31	\$ 47,096
Operating expenses:					
Personnel services	0	28,896	0	4,626	33,522
General operating	0	0	598	0	598
Contractual services	385	13,186	41,600	20,000	75,171
Materials and supplies	0	272	34,620	0	34,892
Depreciation	0	5,463	0	0	5,463
Non-governmental	0	0	69,713	110,843	180,556
Total expenses	<u>385</u>	<u>47,817</u>	<u>146,531</u>	<u>135,469</u>	<u>330,202</u>
Operating income (loss)	6,347	(7,484)	(146,531)	(135,438)	(283,106)
Non-operating revenues:					
Interest revenue	3,902	60	460	1,608	6,030
Other	104	616	0	114	834
Intergovernmental	5,000	0	86,000	0	91,000
Total Non-operating revenue	<u>9,006</u>	<u>676</u>	<u>86,460</u>	<u>1,722</u>	<u>97,864</u>
Non-operating expenses:					
Loss on disposal	0	0	0	0	0
Total Non-Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	15,353	(6,808)	(60,071)	(133,716)	(185,242)
Net Position, beginning of year	<u>726,249</u>	<u>190,541</u>	<u>125,195</u>	<u>999,107</u>	<u>2,041,092</u>
Net Position, end of year	<u>\$ 741,602</u>	<u>\$ 183,733</u>	<u>\$ 65,124</u>	<u>\$ 865,391</u>	<u>\$ 1,855,850</u>

CITY OF XENIA, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan	Housing Rehabilitation Loan	Total Other Enterprise Funds
Cash Flows from Operating Activities:					
Cash Received from Customers	\$30,197	\$37,498	\$0	\$24,387	\$92,082
Cash Payments for Goods and Services	(397)	(15,752)	(156,761)	(74,912)	(247,822)
Cash Payments to Employees	0	(26,532)	0	(4,639)	(31,171)
Net Cash Provided (Used) by Operating Activities	29,800	(4,786)	(156,761)	(55,164)	(186,911)
Cash Flows from Noncapital Financing Activities:					
Other Non Operating Receipts	104	616	0	114	834
Net Cash Provided by Noncapital Financing Activities	104	616	0	114	834
Cash Flows from Capital and Related Financing Activities:					
Intergovernmental Grants	5,000	0	161,000	0	166,000
Net Cash Provided by Capital and Related Financing Activities	5,000	0	161,000	0	166,000
Cash Flows from Investing Activities:					
Sale of Investments	0	2,911	0	35,124	38,035
Purchase of Investments	(11,987)	0	(1,569)	0	(13,556)
Receipts of Interest	4,748	88	626	1,772	7,234
Net Cash Provided (Used) by Investing Activities	(7,239)	2,999	(943)	36,896	31,713
Net Change in Cash and Cash Equivalents	27,665	(1,171)	3,296	(18,154)	11,636
Cash and Cash Equivalents at Beginning of Year	214,912	11,189	24,423	88,985	339,509
Cash and Cash Equivalents at End of Year	\$242,577	\$10,018	\$27,719	\$70,831	\$351,145
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	6,347	(7,484)	(146,531)	(135,438)	(\$283,106)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:					
Depreciation Expense	0	5,463	0	0	5,463
Changes in Assets and Deferred Outflows and Liabilities and Deferred Inflows:					0
Decrease in Principal Receivable	23,465	0	7,717	80,288	111,470
(Increase) Decrease in Grant Receivable	0	0	0	0	0
Decrease in Accounts Receivable	0	(4,165)	0	0	(4,165)
(Increase) Decrease in Allowance for Doubtful Accounts	0	1,330	0	0	1,330
(Increase) Decrease in Prepaid Items	(12)	33	0	0	21
Increase in Deferred Outflows - Pension	0	(7,932)	0	(1,162)	(9,094)
Increase (Decrease) in Accounts Payable	0	(2,327)	(17,947)	0	(20,274)
Increase (Decrease) in Accrued Payroll	0	(302)	0	(106)	(408)
Increase in Deferred Inflows - Pension	0	223	0	32	255
Increase in Net Pension Liability	0	10,253	0	1,335	11,588
Decrease in Compensated Absences	0	122	0	(113)	9
Total Adjustments	23,453	2,698	(10,230)	80,274	96,195
Net Cash Provided (Used) by Operating Activities	\$29,800	(\$4,786)	(\$156,761)	(\$55,164)	(\$186,911)

Internal Service Funds

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

Utility Billing Fund

To account for utility billing services provided to the water, sewer, stormwater, 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.

Information Technology Fund

To account for the monies received from other departments to cover the cost of information technology related expenditures of the City departments.

This fund was established in 2015.

Self-Insurance Fund

To account for the monies received from other departments to cover the cost of health insurance related expenditures of the City departments.

This fund was established in 2015.

CITY OF XENIA, OHIO

**STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016**

	<u>Utility Billing</u>	<u>City Garage</u>	<u>Information Technology</u>	<u>Self Insurance</u>	<u>Total Internal Service Funds</u>
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 12,601	\$ 13,081	\$ 2	\$ 12,132	\$ 37,816
Investments	16,973	11,619	0	16,341	44,933
Receivables:					
Accounts	6,707	2,874	0	359,737	369,318
Accrued Interest	0	0	0	225	225
Inventories	0	29,775	0	0	29,775
Prepaid items	2,856	2,054	101,863	0	106,773
Total Current Assets	39,137	59,403	101,865	388,435	588,840
Noncurrent Assets:					
Unrestricted:					
Capital Assets not being depreciated	0	0	233,750	0	233,750
Capital Assets (net of accumulated depreciation)	7,531	91,633	58,902	0	158,066
Total Noncurrent Assets	7,531	91,633	292,652	0	391,816
Total Assets	46,668	151,036	394,517	388,435	980,656
Deferred Outflows of Resources					
Pension	0	59,803	0	0	59,803
Total Deferred Outflows of Resources	0	59,803	0	0	59,803
Liabilities:					
Current Liabilities:					
Accounts payable	7,556	20,336	19,537	79,517	126,946
Accrued payroll	0	4,599	0	0	4,599
Capital lease payable	0	0	23,295	0	23,295
Interfund payable	0	38,929	0	400,000	438,929
Compensated Absences	0	2,023	0	0	2,023
Total Current Liabilities	7,556	65,887	42,832	479,517	595,792
Noncurrent Liabilities					
Capital lease payable	0	0	69,887	0	69,887
Compensated Absences	0	28,958	0	0	28,958
Net Pension Liability	0	154,623	0	0	154,623
Total Noncurrent Liabilities	0	183,581	69,887	0	253,468
Total Liabilities	7,556	249,468	112,719	479,517	849,260
Deferred Inflows of Resources					
Pension	0	2,988	0	0	2,988
Total Deferred Inflows of Resources	0	2,988	0	0	2,988
Net Position:					
Net Investment in Capital Assets	7,531	91,633	199,470	0	298,634
Unrestricted	31,581	(133,250)	82,328	(91,082)	(110,423)
Total Net Position	\$ 39,112	\$ (41,617)	\$ 281,798	\$ (91,082)	\$ 188,211

CITY OF XENIA, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Utility Billing	City Garage	Information Technology	Self Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 117,715	\$ 608,902	\$ 907,397	\$ 1,408,793	\$ 3,042,807
Operating expenses:					
Personnel services	0	176,005	0	0	176,005
General operating	5,446	2,115	4,990	1,687,389	1,699,940
Contractual services	117,267	109,499	472,063	447,199	1,146,028
Materials and supplies	3,761	314,428	281,290	2,828	602,307
Depreciation	2,510	12,971	6,652	0	22,133
Total expenses	128,984	615,018	764,995	2,137,416	3,646,413
Operating income (loss)	(11,269)	(6,116)	142,402	(728,623)	(603,606)
Non-operating revenues:					
Interest revenue	0	0	0	1,136	1,136
Other	0	2,973	24	359,759	362,756
Total Non-operating revenue	0	2,973	24	360,895	363,892
Change in Net Position	(11,269)	(3,143)	142,426	(367,728)	(239,714)
Net Position, beginning of year	50,381	(38,474)	139,372	276,646	427,925
Net Position, end of year	\$ 39,112	\$ (41,617)	\$ 281,798	\$ (91,082)	\$ 188,211

CITY OF XENIA, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Utility Billing	City Garage	Information Technology	Self Insurance	Totals
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Interfund Services Provided	\$115,609	\$608,939	\$907,397	\$1,049,056	\$2,681,001
Cash Payments for Goods and Services	(128,621)	(420,812)	(809,262)	(2,152,310)	(3,511,005)
Cash Payments to Employees	0	(167,712)	0	0	(167,712)
Net Cash Provided (Used) by Operating Activities	(13,012)	20,415	98,135	(1,103,254)	(997,716)
<u>Cash Flows from Noncapital Financing Activities:</u>					
Advances to Other Funds	0	(8,480)	0	0	(8,480)
Advances from Other Funds	0	0	0	400,000	400,000
Non Operating Revenues from Other Sources	0	2,973	24	359,759	362,756
Net Cash Used by Noncapital Financing Activities	0	(5,507)	24	759,759	754,276
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Intergovernmental Grants	0	0	0	0	0
Acquisition and Construction of Assets	0	(7,428)	(74,863)	0	(82,291)
Sale of Capital Assets	0	0	0	0	0
Principal Paid on Loans	0	0	0	0	0
Interest Paid on All Debt	0	0	0	0	0
Capital Lease Payment	0	0	(23,295)	0	(23,295)
Capital Leases Initiated	0	0	0	0	0
Interest Paid on All Debt	0	0	0	0	0
Net Cash (Used) by Capital and Related Financing Activities	0	(7,428)	(98,158)	0	(105,586)
<u>Cash Flows from Investing Activities:</u>					
Sale of Investments	8,356	0	0	204,967	213,323
Purchase of Investments	0	(4,027)	0	0	(4,027)
Receipts of Interest	0	0	0	296	296
Net Cash Provided (Used) by Investing Activities	8,356	(4,027)	0	205,263	209,592
Net Increase in Cash and Cash Equivalents	(4,656)	3,453	1	(138,232)	(139,434)
Cash and Cash Equivalents at Beginning of Year	17,257	9,628	1	150,364	177,250
Cash and Cash Equivalents at End of Year	\$12,601	\$13,081	\$2	\$12,132	\$37,816
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	(\$11,269)	(\$6,116)	\$142,402	(\$728,623)	(\$603,606)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	2,510	12,971	6,652	0	22,133
Income - Other Nonoperating		0	0	0	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(2,106)	37	0	(359,737)	(361,806)
(Increase) Decrease in Prepaid Items	(1,073)	(425)	(20,341)	0	(21,839)
(Increase) in Deferred Outflows - Pension	0	(41,219)	0	0	(41,219)
(Increase) in Inventory	0	(124)	0	0	(124)
Increase (Decrease) in Accounts Payable	(1,074)	5,779	(30,578)	(14,894)	(40,767)
Increase (Decrease) in Accrued Payroll	0	(3,440)	0	0	(3,440)
Increase (Decrease) in Deferred Inflows - Pension	0	1,105	0	0	1,105
Increase (Decrease) in Net Pension Liability	0	47,898	0	0	47,898
Increase (Decrease) in Compensated Absences	0	3,949	0	0	3,949
Total Adjustments	(1,743)	26,531	(44,267)	(374,631)	(394,110)
Net Cash Provided (Used) by Operating Activities	(\$13,012)	\$20,415	\$98,135	(\$1,103,254)	(\$997,716)

Fiduciary Funds

Agency Funds

Municipal Court – Traffic and Criminal Fund

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 Fund

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 Ohio Revised Code Section 3929.86(D).

LGIF Fund

This fund is used to account for assets held by the City for transactions related to a loan from the Local government innovation fund entered into by the City and three other local governments. The City is responsible for collecting debt payments from those three local governments and making payment on behalf of those entities to the State of Ohio.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Municipal Court - Traffic and Criminal:</u>				
Assets:				
Cash and Cash Equivalents	\$130,129	\$1,021,988	(\$1,030,907)	\$121,210
Total Assets	<u>\$130,129</u>	<u>\$1,021,988</u>	<u>(\$1,030,907)</u>	<u>\$121,210</u>
Liabilities:				
Accounts Payable	\$71,628	\$753,695	(\$769,976)	\$55,347
Restricted Deposits	\$58,501	\$268,292	(\$260,930)	\$65,863
Total Liabilities	<u>\$130,129</u>	<u>\$1,021,987</u>	<u>(\$1,030,906)</u>	<u>\$121,210</u>
<u>Municipal Court - Civil and Small Claims:</u>				
Assets:				
Cash and Cash Equivalents	\$5,334	\$488,439	(\$479,022)	\$14,751
Total Assets	<u>\$5,334</u>	<u>\$488,439</u>	<u>(\$479,022)</u>	<u>\$14,751</u>
Liabilities:				
Accounts Payable	\$1,204	\$466,868	(\$459,796)	\$8,276
Restricted Deposits	\$4,130	\$21,571	(\$19,226)	\$6,475
Total Liabilities	<u>\$5,334</u>	<u>\$488,439</u>	<u>(\$479,022)</u>	<u>\$14,751</u>
<u>Imprest Cash:</u>				
Assets:				
Cash and Cash Equivalents	\$2,190	\$0	\$0	\$2,190
Total Assets	<u>\$2,190</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,190</u>
Liabilities:				
Restricted Deposits	\$2,190	\$0	\$0	\$2,190
Total Liabilities	<u>\$2,190</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,190</u>
<u>Insurance Deposit:</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$24,004	\$0	\$24,004
Total Assets	<u>\$0</u>	<u>\$24,004</u>	<u>\$0</u>	<u>\$24,004</u>
Liabilities:				
Restricted Deposits	\$0	\$24,004	\$0	\$24,004
Total Liabilities	<u>\$0</u>	<u>\$24,004</u>	<u>\$0</u>	<u>\$24,004</u>
<u>LGIF Loan:</u>				
Assets:				
Accounts Receivable	\$270,000	\$0	(\$30,000)	\$240,000
Total Assets	<u>\$270,000</u>	<u>\$0</u>	<u>(\$30,000)</u>	<u>\$240,000</u>
Liabilities:				
Accounts Payable	\$270,000	\$0	(\$30,000)	\$240,000
Total Liabilities	<u>\$270,000</u>	<u>\$0</u>	<u>(\$30,000)</u>	<u>\$240,000</u>
<u>Totals - All Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$137,653	\$1,534,431	(\$1,509,929)	\$162,155
Accounts Receivable	\$270,000	\$0	(\$30,000)	\$240,000
Total Assets	<u>\$407,653</u>	<u>\$1,534,431</u>	<u>(\$1,539,929)</u>	<u>\$402,155</u>
Liabilities:				
Accounts Payable	\$342,832	\$1,220,563	(\$1,259,772)	\$303,623
Restricted Deposits	\$64,821	\$313,867	(\$280,156)	\$98,532
Total Liabilities	<u>\$407,653</u>	<u>\$1,534,430</u>	<u>(\$1,539,928)</u>	<u>\$402,155</u>



III

STATISTICAL SECTION

STATISTICAL TABLES

T HIS 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

These schedules contain trend information to help the reader understand how the City's financial position has changed over time. S 2 – S 11

Revenue Capacity

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 income tax. S 12 – S 15

Debt Capacity

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. S 16 – S 23

Economic and Demographic Information

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. S 24 – S 29

Operating Information

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. S 30 – S 37

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF XENIA, OHIO

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009	2010
Governmental Activities:				
Net Investment Capital Assets, Net of Related Debt	\$29,833,471	\$31,133,709	\$32,711,191	\$33,054,119
Restricted	5,272,948	5,630,788	4,179,524	6,100,965
Unrestricted	3,872,527	3,792,172	3,933,236	2,692,145
Total Governmental Activities Net Position	<u>\$38,978,946</u>	<u>\$40,556,669</u>	<u>\$40,823,951</u>	<u>\$41,847,229</u>
Business-type Activities:				
Net Investment Capital Assets, Net of Related Debt	\$19,755,819	\$21,529,277	\$21,442,195	\$21,637,865
Restricted	0	0	0	178,266
Unrestricted	6,502,716	7,409,830	7,538,994	9,830,432
Total Business-type Activities Net Position	<u>\$26,258,535</u>	<u>\$28,939,107</u>	<u>\$28,981,189</u>	<u>\$31,646,563</u>
Primary Government:				
Net Investment Capital Assets, Net of Related Debt	\$49,589,290	\$52,662,986	\$54,153,386	\$54,691,984
Restricted	5,272,948	5,630,788	4,179,524	6,279,231
Unrestricted	10,375,243	11,202,002	11,472,230	12,522,577
Total Primary Government Net Position	<u>\$65,237,481</u>	<u>\$69,495,776</u>	<u>\$69,805,140</u>	<u>\$73,493,792</u>

Source: City Finance Director's Office

CITY OF XENIA, OHIO

2011	2012	2013	Restated 2014	Restated 2015	2016
\$34,113,956	\$34,504,785	\$35,558,378	\$36,720,402	\$33,130,179	\$39,612,767
8,188,065	5,408,855	5,567,144	5,722,928	11,684,587	8,580,380
2,287,431	6,160,890	4,775,505	(12,913,033)	(14,077,618)	(16,685,367)
<u>\$44,589,452</u>	<u>\$46,074,530</u>	<u>\$45,901,027</u>	<u>\$29,530,297</u>	<u>\$30,737,148</u>	<u>\$31,507,780</u>
\$22,250,312	\$22,441,680	\$22,070,099	\$23,035,822	\$23,500,079	\$23,083,209
120,288	170,077	0	0	0	0
9,820,160	10,662,384	12,124,555	9,483,158	10,502,866	11,038,394
<u>\$32,190,760</u>	<u>\$33,274,141</u>	<u>\$34,194,654</u>	<u>\$32,518,980</u>	<u>\$34,002,945</u>	<u>\$34,121,603</u>
\$56,364,268	\$56,946,465	\$57,628,477	\$59,756,224	\$56,630,258	\$62,695,976
8,308,353	5,578,932	5,567,144	5,722,928	11,684,587	8,580,380
12,107,591	16,823,274	16,900,060	(3,429,875)	(3,574,752)	(5,646,973)
<u>\$76,780,212</u>	<u>\$79,348,671</u>	<u>\$80,095,681</u>	<u>\$62,049,277</u>	<u>\$64,740,093</u>	<u>\$65,629,383</u>

CITY OF XENIA, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
General Government	\$3,609,339	\$3,913,536	\$3,474,135	\$3,577,856
Public Safety	11,119,299	11,372,519	11,984,216	11,311,480
Health	63,718	67,910	54,605	306,963
Highways and Streets	2,284,521	2,054,733	1,952,667	1,801,149
Urban Redevelopment & Housing	345,551	360,443	285,954	247,659
Economic Development & Assistance	0	0	0	0
Recreation	521,131	481,111	406,396	284,934
Interest and Fiscal Charges	134,336	129,250	126,203	104,977
<i>Total Governmental Activities Expenses</i>	<u>18,077,895</u>	<u>18,379,502</u>	<u>18,284,176</u>	<u>17,635,018</u>
Business-type Activities:				
Water	2,688,400	2,845,241	3,110,764	2,980,976
Sewer	3,968,134	4,187,892	4,191,056	3,883,632
Sanitation	1,711,596	1,643,058	1,644,491	1,577,458
Storm Water	140,479	164,575	187,640	277,359
Other Enterprise Funds	330,293	385,728	596,196	243,485
<i>Total Business-type Activities Expenses</i>	<u>8,838,902</u>	<u>9,226,494</u>	<u>9,730,147</u>	<u>8,962,910</u>
<i>Total Primary Government Expenses</i>	<u>\$26,916,797</u>	<u>\$27,605,996</u>	<u>\$28,014,323</u>	<u>\$26,597,928</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$1,365,697	\$1,676,228	\$1,359,765	\$1,388,914
Public Safety	1,654,935	2,130,089	1,866,335	2,307,856
Health	27,585	18,740	8,589	19,302
Highways and Streets	1,040	9,060	4,282	9,337
Urban Redevelopment & Housing	29,384	22,098	19,191	30,452
Economic Development & Assistance	0	0	0	0
Recreation	28,957	30,761	20,625	8,914
Operating Grants and Contributions	266,159	442,322	253,541	459,403
Capital Grants and Contributions	533,226	993,095	744,718	1,098,518
<i>Total Governmental Activities Program Revenues</i>	<u>3,906,983</u>	<u>5,322,393</u>	<u>4,277,046</u>	<u>5,322,696</u>

(continued)

CITY OF XENIA, OHIO

2011	2012	2013	2014	2015	2016
\$3,677,014	\$3,567,483	\$3,772,609	\$2,851,072	\$4,742,446	\$3,928,893
12,065,050	12,526,166	12,688,381	13,208,811	13,736,687	13,911,915
0	0	0	0	0	0
2,409,163	2,057,537	1,970,034	1,613,183	2,187,058	1,968,786
139,753	112,822	106,727	146,771	115,229	121,281
151,523	468,359	2,960,546	2,756,593	548,344	605,816
272,941	527,634	541,390	406,634	474,079	441,493
67,642	69,614	62,446	64,913	274,688	251,308
<u>18,783,086</u>	<u>19,329,615</u>	<u>22,102,133</u>	<u>21,047,977</u>	<u>22,078,531</u>	<u>21,229,492</u>
3,075,621	3,907,856	3,267,639	3,750,634	3,332,480	3,663,222
4,346,983	4,030,678	4,340,898	4,310,544	4,036,804	4,044,595
1,642,102	1,674,999	1,474,330	1,569,042	1,405,761	2,655,763
324,722	339,906	350,114	442,876	451,434	352,149
267,108	288,049	90,913	143,231	175,944	330,380
<u>9,656,536</u>	<u>10,241,488</u>	<u>9,523,894</u>	<u>10,216,327</u>	<u>9,402,423</u>	<u>11,046,109</u>
<u>\$28,439,622</u>	<u>\$29,571,103</u>	<u>\$31,626,027</u>	<u>\$31,264,304</u>	<u>\$31,480,954</u>	<u>\$32,275,601</u>
\$1,398,435	\$1,520,315	\$1,497,509	\$1,509,582	\$1,910,176	\$1,704,695
1,851,179	2,022,807	2,338,853	2,390,960	2,675,280	2,716,568
0	9,548	0	0	0	0
2,438	0	1,138	172,196	17,293	8,233
0	10,335	0	0	9,542	2,388
0	0	0	0	18	203
5,360	5,493	4,045	5,759	34,271	30,013
398,496	865,437	542,524	472,764	299,644	475,852
1,634,700	261,306	3,786,699	1,689,871	14,585	93,097
<u>5,290,608</u>	<u>4,695,241</u>	<u>8,170,768</u>	<u>6,241,132</u>	<u>4,960,809</u>	<u>5,031,049</u>

CITY OF XENIA, OHIO

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2007	2008	2009	2010
Business-type Activities:				
Charges for Services				
Water	3,219,234	3,145,639	3,425,277	3,455,602
Sewer	4,114,935	4,100,610	4,090,886	4,958,089
Sanitation	1,763,401	1,850,488	1,774,993	1,917,987
Storm Water	131,161	149,908	144,933	319,870
Other Enterprise Funds	91,956	119,189	87,633	60,528
Operating Grants and Contributions	0	36,459	0	422,209
Capital Grants and Contributions	353,157	2,494,773	418,589	205,679
<i>Total Business-type Activities Program Revenues</i>	<u>9,673,844</u>	<u>11,897,066</u>	<u>9,942,311</u>	<u>11,339,964</u>
<i>Total Primary Government Program Revenues</i>	<u>13,580,827</u>	<u>17,219,459</u>	<u>14,219,357</u>	<u>16,662,660</u>
Net (Expense)/Revenue				
Governmental Activities	(14,170,912)	(13,057,109)	(14,007,130)	(12,312,322)
Business-type Activities	834,942	2,670,572	212,164	2,377,054
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$13,335,970)</u>	<u>(\$10,386,537)</u>	<u>(\$13,794,966)</u>	<u>(\$9,935,268)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$8,786,104	\$8,848,826	\$8,318,554	\$8,272,340
Other Local Taxes	1,619,664	2,106,148	44,590	39,052
Property Taxes	0	0	1,855,068	1,582,440
Motor Vehicle and Gas Tax	1,369,889	1,445,405	1,163,541	1,459,124
Inergovernmental, Unrestricted	1,994,721	1,608,619	2,048,476	1,755,690
Investment Earnings	402,797	294,596	264,225	80,055
Miscellaneous	302,915	341,238	409,876	209,174
Transfers	(5,583,398)	(10,000)	170,082	(62,275)
<i>Total Governmental Activities</i>	<u>8,892,692</u>	<u>14,634,832</u>	<u>14,274,412</u>	<u>13,335,600</u>
Business-type Activities:				
Investment Earnings	0	0	0	0
Transfers	5,583,398	10,000	(170,082)	62,275
Loss on Disposal of Capital Assets	0	0	0	0
<i>Total Business-type Activities</i>	<u>5,583,398</u>	<u>10,000</u>	<u>(170,082)</u>	<u>62,275</u>
<i>Total Primary Government</i>	<u>\$14,476,090</u>	<u>\$14,644,832</u>	<u>\$14,104,330</u>	<u>\$13,397,875</u>
Change in Net Position				
Governmental Activities	(\$5,278,220)	\$1,577,723	\$267,282	\$1,023,278
Business-type Activities	6,418,340	2,680,572	42,082	2,439,329
<i>Total Primary Government Change in Net Position</i>	<u>\$1,140,120</u>	<u>\$4,258,295</u>	<u>\$309,364</u>	<u>\$3,462,607</u>

Source: City Finance Director's Office

Note: Prior to 2009 property taxes were included in the other local taxes figure on the entity wide statements.

CITY OF XENIA, OHIO

2011	2012	2013	2014	2015	2016
3,227,912	3,321,936	3,533,324	3,504,940	3,715,562	3,961,826
3,563,646	4,250,051	4,384,154	4,546,060	4,538,119	4,925,424
2,012,065	1,982,788	1,954,056	1,970,172	1,996,550	1,973,814
344,240	340,317	337,467	338,546	340,799	342,741
58,587	60,610	161,317	83,972	51,063	53,960
714,903	490,531	126,156	119,450	174,487	75,000
383,879	0	11,100	158,801	144,542	16,000
<u>10,305,232</u>	<u>10,446,233</u>	<u>10,507,574</u>	<u>10,721,941</u>	<u>10,961,122</u>	<u>11,348,765</u>
<u>15,595,840</u>	<u>15,141,474</u>	<u>18,678,342</u>	<u>16,963,073</u>	<u>15,921,931</u>	<u>16,379,814</u>
(13,492,478)	(14,634,374)	(13,931,365)	(14,806,845)	(17,117,722)	(16,198,443)
648,696	204,745	983,680	505,614	1,558,699	302,656
<u>(\$12,843,782)</u>	<u>(\$14,429,629)</u>	<u>(\$12,947,685)</u>	<u>(\$14,301,231)</u>	<u>(\$15,559,023)</u>	<u>(\$15,895,787)</u>
\$10,969,297	\$12,276,122	\$11,732,328	\$11,756,681	\$11,952,647	\$12,728,800
36,655	37,308	40,137	40,362	41,395	41,042
1,361,654	1,807,780	986,812	1,524,924	1,324,503	1,442,144
1,418,289	1,225,059	1,474,430	1,139,791	1,194,461	1,459,326
1,895,351	1,283,809	1,811,934	827,164	1,033,930	1,003,737
63,913	38,295	27,308	138,931	2,246	110,028
385,043	329,715	367,822	411,511	106	0
104,499	(878,636)	63,167	(367,017)	74,734	183,998
<u>16,234,701</u>	<u>16,119,452</u>	<u>16,503,938</u>	<u>15,472,347</u>	<u>15,624,022</u>	<u>16,969,075</u>
0	0	0	0	0	0
(104,499)	878,636	(63,167)	367,017	(74,734)	(183,998)
0	0	0	0	0	0
<u>(104,499)</u>	<u>878,636</u>	<u>(63,167)</u>	<u>367,017</u>	<u>(74,734)</u>	<u>(183,998)</u>
<u>\$16,130,202</u>	<u>\$16,998,088</u>	<u>\$16,440,771</u>	<u>\$15,839,364</u>	<u>\$15,549,288</u>	<u>\$16,785,077</u>
\$2,742,223	\$1,485,078	\$2,572,573	\$665,502	(\$1,493,700)	\$770,632
544,197	1,083,381	920,513	872,631	1,483,965	118,658
<u>\$3,286,420</u>	<u>\$2,568,459</u>	<u>\$3,493,086</u>	<u>\$1,538,133</u>	<u>(\$9,735)</u>	<u>\$889,290</u>

CITY OF XENIA, OHIO

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Nonspendable				
Assigned				
Unassigned				
Reserved	\$255,520	\$294,705	\$213,890	\$167,371
Unreserved	<u>3,175,961</u>	<u>3,913,707</u>	<u>4,286,603</u>	<u>1,875,461</u>
<i>Total General Fund</i>	<u>3,431,481</u>	<u>4,208,412</u>	<u>4,500,493</u>	<u>2,042,832</u>
All Other Governmental Funds				
NonSpendable				
Restricted				
Committed				
Assigned				
Reserved	588,127	953,204	428,075	1,440,549
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,951,198	1,744,102	1,731,786	4,578,277
Capital Projects Funds	<u>2,303,063</u>	<u>2,347,725</u>	<u>1,501,554</u>	<u>740,547</u>
Total All Other Governmental Funds	<u>4,842,388</u>	<u>5,045,031</u>	<u>3,661,415</u>	<u>6,759,373</u>
<i>Total Governmental Funds</i>	<u><u>\$8,273,869</u></u>	<u><u>\$9,253,443</u></u>	<u><u>\$8,161,908</u></u>	<u><u>\$8,802,205</u></u>

Source: City Finance Director's Office
(1) The City Implemented GASB 54 in 2011

CITY OF XENIA, OHIO

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$59,044	\$53,487	\$51,992	\$45,190	\$28,405	\$35,628
\$188,601	\$1,662,830	\$240,208	\$1,649,569	\$1,412,584	\$7,001
\$1,872,104	\$1,096,424	\$3,509,005	\$1,883,547	\$1,398,034	\$3,507,294
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,119,749</u>	<u>2,812,741</u>	<u>3,801,205</u>	<u>3,578,306</u>	<u>2,839,023</u>	<u>3,549,923</u>
140,563	209,783	221,393	451,803	219,964	188,205
6,042,733	5,173,704	5,919,266	4,970,908	11,504,299	8,215,198
117,026	149,778	219,170	154,522	249,694	247,351
1,952,407	2,130,590	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>8,252,729</u>	<u>7,663,855</u>	<u>6,359,829</u>	<u>5,577,233</u>	<u>11,973,957</u>	<u>8,650,754</u>
<u>\$10,372,478</u>	<u>\$10,476,596</u>	<u>\$10,161,034</u>	<u>\$9,155,539</u>	<u>\$14,812,980</u>	<u>\$12,200,677</u>

CITY OF XENIA, OHIO

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

	2007	2008	2009	2010
Revenues:				
Municipal Income Tax	\$8,764,208	\$8,973,379	\$8,418,354	\$8,262,780
Other Local Taxes	1,786,810	2,106,148	1,899,658	1,619,094
State Shared Taxes and Permits	3,552,734	3,479,048	3,296,472	3,097,393
Special Assessments	0	0	0	0
Intergovernmental Grants	808,075	1,333,417	908,950	1,522,973
Charges for Services	1,575,315	1,712,640	1,669,891	1,766,578
Fines, Costs, Forfeitures, Licenses and Permits	1,220,823	1,723,130	1,422,179	1,418,432
Miscellaneous Receipts and Reimbursements, including Interest	1,074,252	1,122,768	909,516	881,195
Total Revenue	<u>18,782,217</u>	<u>20,450,530</u>	<u>18,525,020</u>	<u>18,568,445</u>
Expenditures:				
Current:				
General Government	3,307,934	3,702,693	3,119,824	3,136,271
Public Safety	10,638,670	10,853,395	11,456,004	10,721,657
Health	60,524	64,843	51,780	48,257
Highways and Streets	1,606,466	1,641,621	1,425,152	1,353,816
Urban Redevelopment & Housing	331,927	344,549	289,694	248,432
Economic Development & Assistance	0	0	0	0
Recreation	386,229	390,777	319,544	169,228
Capital Outlay	1,651,163	2,420,322	2,498,161	1,739,237
Debt Service:				
Principal Retirement	346,055	381,681	433,103	1,315,647
Interest and Fiscal Charges	134,491	132,540	128,364	112,635
Total Expenditures	<u>18,463,459</u>	<u>19,932,421</u>	<u>19,721,626</u>	<u>18,845,180</u>
Excess (Deficiency) of Revenues Over Expenditures	318,758	518,109	(1,196,606)	(276,735)
Other Financing Sources (Uses):				
Other Financing Sources - Capital Leases	105,419	448,251	190,080	0
General Obligation Bonds Issued	0	0	0	927,531
Premium on General Obligation Bonds	0	0	0	0
Transfers In	1,119,000	694,000	234,001	7,512,071
Transfers Out	(1,200,121)	(704,000)	(247,000)	(7,528,071)
Total Other Financing Sources (Uses)	<u>24,298</u>	<u>438,251</u>	<u>177,081</u>	<u>911,531</u>
Net Change in Fund Balance	<u>\$343,056</u>	<u>\$956,360</u>	<u>(\$1,019,525)</u>	<u>\$634,796</u>
Debt Service as a Percentage of Noncapital Expenditures	2.72%	2.97%	3.42%	8.08%

Source: City Finance Director's Office

CITY OF XENIA, OHIO

2011	2012	2013	2014	2015	2016
\$10,933,675	\$11,599,673	\$11,582,587	\$11,716,273	\$11,922,714	\$12,699,537
1,400,707	1,293,188	1,472,542	1,514,437	1,453,040	1,505,940
3,109,036	2,707,651	3,007,312	2,247,433	2,243,246	2,395,052
0	0	0	0	0	0
2,100,211	1,142,233	3,920,886	2,295,026	324,867	519,051
1,485,407	1,635,508	1,918,720	2,038,845	2,337,256	2,295,450
1,357,962	1,435,372	1,358,049	1,364,666	1,314,750	1,416,278
835,290	808,439	979,786	1,268,957	1,024,070	797,219
<u>21,222,288</u>	<u>20,622,064</u>	<u>24,239,882</u>	<u>22,445,637</u>	<u>20,619,943</u>	<u>21,628,527</u>
3,383,703	3,490,798	3,478,462	3,634,660	3,838,344	3,561,137
11,502,926	11,927,807	12,264,065	12,677,453	13,020,511	12,034,571
0	0	0	0	0	0
1,295,688	1,290,424	1,365,466	1,590,916	1,231,105	1,196,747
130,324	91,730	82,763	117,762	92,427	91,215
146,663	153,967	191,046	190,432	173,560	164,240
158,251	166,091	166,868	208,422	259,657	233,150
3,443,902	2,829,747	8,029,355	4,841,290	3,568,604	7,219,724
433,131	538,820	402,837	480,251	854,648	811,734
70,461	74,378	56,112	68,328	232,664	310,623
<u>20,565,049</u>	<u>20,563,762</u>	<u>26,036,974</u>	<u>23,809,514</u>	<u>23,271,520</u>	<u>25,623,141</u>
657,239	58,302	(1,797,092)	(1,363,877)	(2,651,577)	(3,994,614)
0	0	1,371,415	183,486	106	194,470
953,712	0	0	0	8,000,000	1,000,000
0	0	0	0	412,736	0
5,370,000	4,546,000	4,825,000	5,330,000	5,788,051	5,444,627
(5,391,500)	(4,569,000)	(4,825,000)	(5,330,000)	(5,713,317)	(5,260,629)
<u>932,212</u>	<u>(23,000)</u>	<u>1,471,415</u>	<u>183,486</u>	<u>8,487,576</u>	<u>1,378,468</u>
<u>\$1,589,451</u>	<u>\$35,302</u>	<u>(\$325,677)</u>	<u>(\$1,180,391)</u>	<u>\$5,835,999</u>	<u>(\$2,616,146)</u>
2.92%	3.58%	2.09%	2.74%	5.32%	3.21%

CITY OF XENIA, OHIO

*Income Tax Revenues by Source, Government
Last Ten Years*

Tax year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$7,996,915	\$8,863,480	\$8,263,057	\$8,354,222
Income Tax Receipts				
Withholding	5,917,884	6,870,315	6,425,740	6,377,354
Percentage	74.00%	77.51%	77.76%	76.34%
Direct (Individual & Business)	2,079,031	1,993,165	1,837,317	1,976,868
Percentage	26.00%	22.49%	22.24%	23.66%

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, OHIO

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
\$10,310,172	\$11,595,945	\$11,634,384	\$11,739,338	\$11,725,621	\$12,828,479
8,075,838	8,533,750	8,310,102	8,486,386	8,537,908	9,173,973
78.33%	73.59%	71.43%	72.29%	72.81%	71.51%
2,234,334	3,062,195	3,324,282	3,252,952	3,187,713	3,654,506
21.67%	26.41%	28.57%	27.71%	27.19%	28.49%

CITY OF XENIA, OHIO

*Income Tax Collections
Current Year and Seven Years Ago*

Income Level	Calendar Year 2016			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	6,266	51.36%	\$37,488,387	10.02%
20,000 - 49,999	3,321	27.21%	109,920,176	29.37%
50,000 - 74,999	1,292	10.58%	79,036,877	21.12%
75,000 - 99,999	699	5.72%	60,304,704	16.11%
Over 100,000	628	5.13%	87,491,544	23.38%
Total	12,206	100.00%	\$374,241,688	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to the City of Xenia	\$6,478,667
Taxes Credited to Other Municipalities	1,941,771
	\$8,420,438

Income Level	Calendar Year 2009			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	6,208	50.65%	\$37,175,798	10.10%
20,000 - 49,999	3,425	27.95%	113,342,876	30.79%
50,000 - 74,999	1,389	11.33%	84,824,067	23.04%
75,000 - 99,999	690	5.63%	59,242,020	16.09%
Over 100,000	544	4.44%	73,555,447	19.98%
Total	12,256	100.00%	\$368,140,208	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to the City of Xenia	\$6,452,745
Taxes Credited to Other Municipalities	1,830,410
	\$8,283,155

Source: City Finance Director's Office



CITY OF XENIA, OHIO

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,065,000	\$1,005,000	\$945,000	\$920,000
Original Issue Premium	\$0	\$0	\$0	\$0
Capital Leases	1,646,267	1,772,837	1,589,809	1,219,167
Local Government Innovation Fund	0	0	0	0
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	\$5,950,478	\$5,430,029	\$4,894,544	\$6,226,960
General Obligation Bonds Payable	0	0	0	0
Capital Leases	1,782,755	1,697,182	1,607,731	1,514,227
Total Primary Government	\$10,444,500	\$9,905,048	\$9,037,084	\$9,880,354
Population ⁽²⁾				
City of Xenia	24,164	24,164	27,357	25,719
Outstanding Debt Per Capita	\$432	\$410	\$330	\$384
Income ⁽³⁾				
Personal (in thousands)	476,611	466,800	518,470	493,702
Percentage of Personal Income	2.19%	2.12%	1.74%	2.00%

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, OHIO

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$1,803,712	\$1,642,248	\$1,478,916	\$1,288,677	\$8,756,488	\$9,247,308
\$0	\$0	\$0	\$0	\$396,227	\$379,718
856,036	478,680	1,610,590	1,504,064	1,191,605	1,186,674
0	0	100,000	100,000	90,000	80,000
\$5,509,733	\$6,555,052	\$6,006,280	\$5,449,918	\$4,877,571	\$4,315,520
120,288	109,383	98,243	86,863	75,236	63,355
1,416,485	1,314,314	1,207,514	1,095,874	979,174	857,187
<u>\$9,706,254</u>	<u>\$10,099,677</u>	<u>\$10,501,543</u>	<u>\$9,525,396</u>	<u>\$16,366,301</u>	<u>\$16,129,762</u>
25,915	25,983	25,879	25,911	25,976	26,002
\$375	\$389	\$406	\$368	\$630	\$620
497,464	515,659	514,733	531,383	532,716	546,796
1.95%	1.96%	2.04%	1.79%	3.07%	2.95%

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2007	2008	2009	2010
Population ⁽¹⁾	24,164	24,164	27,357	25,719
Assessed Value ⁽²⁾	\$374,629,702	\$380,225,360	\$399,918,650	\$401,707,460
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$1,065,000	\$1,005,000	\$945,000	\$920,000
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$1,065,000	\$1,005,000	\$945,000	\$920,000
Ratio of Net Bonded Debt to Estimated Actual Value	0.28%	0.26%	0.24%	0.23%
Net Bonded Debt per Capita	\$44.07	\$41.59	\$34.54	\$35.77

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, OHIO

2011	2012	2013	2014	2015	2016
25,915	25,983	25,879	25,911	25,976	26,002
\$376,284,220	\$369,340,160	\$371,635,110	\$357,886,080	\$357,304,480	\$358,938,640
\$1,924,000	\$1,751,631	\$1,577,159	\$1,375,540	\$8,831,724	\$9,310,663
\$0	\$0	\$0	\$0	\$0	\$0
\$1,924,000	\$1,751,631	\$1,577,159	\$1,375,540	\$8,831,724	\$9,310,663
0.51%	0.47%	0.41%	0.38%	2.47%	2.59%
\$74.24	\$67.41	\$60.94	\$53.09	\$340.00	\$358.07

CITY OF XENIA, OHIO

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2016*

2016			
<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	\$10,893,700	100.00%	\$10,893,700
Overlapping:			
Greene County	\$101,320,049	9.19%	9,311,313
Xenia Community School District	\$36,861,761	54.86%	20,222,362
Greene County Career Center	\$0	9.06%	0
		Subtotal	<u>29,533,675</u>
		Total	<u><u>\$40,427,375</u></u>

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



CITY OF XENIA, OHIO

*Debt Limitations
Last Ten Years*

Collection Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Debt				
Net Assessed Valuation	\$374,629,702	\$380,225,360	\$399,918,650	\$401,707,460
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	39,336,119	39,923,663	41,991,458	42,179,283
City Debt Outstanding (2)	1,065,000	1,005,000	945,000	920,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>1,065,000</u>	<u>1,005,000</u>	<u>945,000</u>	<u>920,000</u>
Overall Legal Debt Margin	<u><u>\$38,271,119</u></u>	<u><u>\$38,918,663</u></u>	<u><u>\$41,046,458</u></u>	<u><u>\$41,259,283</u></u>
Unvoted Debt				
Net Assessed Valuation	\$374,629,702	\$380,225,360	\$399,918,650	\$401,707,460
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	20,604,634	20,912,395	21,995,526	22,093,910
City Debt Outstanding (2)	1,065,000	1,005,000	945,000	920,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>1,065,000</u>	<u>1,005,000</u>	<u>945,000</u>	<u>920,000</u>
Overall Legal Debt Margin	<u><u>\$19,539,634</u></u>	<u><u>\$19,907,395</u></u>	<u><u>\$21,050,526</u></u>	<u><u>\$21,173,910</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, OHIO

2011	2012	2013	2014	2015	2016
\$376,284,220	\$369,340,160	\$371,635,110	\$357,886,080	\$357,304,480	\$358,938,640
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
39,509,843	38,780,717	39,021,687	37,578,038	37,516,970	37,688,557
1,924,000	1,751,631	1,577,159	1,375,540	8,831,724	9,310,663
0	0	0	0	0	0
<u>1,924,000</u>	<u>1,751,631</u>	<u>1,577,159</u>	<u>1,375,540</u>	<u>8,831,724</u>	<u>9,310,663</u>
<u>\$37,585,843</u>	<u>\$37,029,086</u>	<u>\$37,444,527</u>	<u>\$36,202,498</u>	<u>\$28,685,246</u>	<u>\$28,377,894</u>
\$376,284,220	\$369,340,160	\$371,635,110	\$357,886,080	\$357,304,480	\$358,938,640
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
20,695,632	20,313,709	20,439,931	19,683,734	19,651,746	19,741,625
1,924,000	1,751,631	1,577,159	1,375,540	8,831,724	9,310,663
0	0	0	0	0	0
<u>1,924,000</u>	<u>1,751,631</u>	<u>1,577,159</u>	<u>1,375,540</u>	<u>8,831,724</u>	<u>9,310,663</u>
<u>\$18,771,632</u>	<u>\$18,562,078</u>	<u>\$18,862,772</u>	<u>\$18,308,194</u>	<u>\$10,820,022</u>	<u>\$10,430,962</u>

CITY OF XENIA, OHIO

*Demographic and Economic Statistics
Last Ten Years*

Calendar Year	2007	2008	2009	2010
Population (2) (a)				
City of Xenia	24,164	24,164	27,357	25,719
Greene County	148,607	148,607	159,823	161,573
Income (2) (a)				
Total Personal (in thousands)	476,611	466,800	518,470	493,702
Per Capita	19,724	19,318	18,952	19,196
Unemployment Rate (3)				
Federal	4.6%	7.1%	9.7%	9.1%
State	5.6%	7.7%	10.7%	9.2%
Greene County	5.3%	7.0%	10.6%	9.2%
Civilian Work Force Estimates (3)				
State	5,976,500	5,931,600	5,884,900	5,874,200
Greene County	78,000	78,200	79,700	79,900
Employment Distribution by Occupation (2) (a)				
Agriculture, forestry, fishing, hunting, and mining	29	29	29	89
Construction	701	701	701	628
Manufacturing	1,952	1,952	1,952	1,351
Wholesale trade	240	240	240	281
Retail trade	1,511	1,511	1,511	1,342
Transportation, warehousing, and utilities info.	448	448	448	700
Information	190	190	190	297
Finance, insurance, real estate, rental and leasing	436	436	436	512
Professional, scientific, management, administrative, and waste management	713	713	713	1,203
Educational, health, and social services	2,389	2,389	2,389	3153
Arts, Entertainment, recreation, accomodation and food services	828	828	828	1096
Other Services	641	641	641	621
Public Administration	843	843	843	742
Daytime Population (1)	22,424	22,424	22,424	22,424

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information prior to 2007 is not available, the City used the latest information available.
- (a) Per Capita Income was obtained from the US Census Bureau American Fact Finder Website.
- (3) State Department of Labor Statistics

CITY OF XENIA, OHIO

2011	2012	2013	2014	2015	2016
25,915	25,983	25,879	25,911	25,976	26,002
163,219	163,852	163,204	163,820	164,427	164,192
497,464	515,659	514,733	531,383	532,716	546,796
19,196	19,846	19,890	20,508	20,508	21,029
8.3%	7.6%	6.5%	5.4%	4.8%	4.5%
7.6%	6.6%	6.6%	4.7%	4.6%	4.7%
7.3%	6.4%	6.2%	4.2%	4.1%	4.1%
5,762,000	5,701,000	5,728,000	5,697,000	5,693,000	5,674,000
79,000	77,600	76,800	79,500	80,700	80,300
99	66	56	23	23	10
530	566	656	619	619	604
1,019	1,185	1,004	1,000	1,000	1,069
213	174	231	136	136	143
1,410	1,341	1,714	1,725	1,725	1,778
638	568	528	479	479	416
191	206	197	230	230	198
499	509	410	393	393	405
925	770	742	506	506	556
2705	2954	2534	2730	2730	2942
1274	1154	1020	833	833	900
669	606	603	534	534	573
836	748	794	748	748	652
22,424	22,424	22,424	24,442	24,442	24,442

CITY OF XENIA, OHIO

*Principal Employers
Current Year and Eight Years Ago*

Employer	Nature of Business	2016		
		Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1160	1	5.43%
Kettering Med Center Network	Health Care	1034	2	4.84%
Xenia Community School Dist	Education	733	3	3.43%
Wal-mart Associates Inc	Retail	480	4	2.25%
Kroger Limited Ptr	Grocery	350	5	1.64%
Express Personnel Services	Other Services	337	6	1.58%
City of Xenia	Government	263	7	1.23%
TCN Behavioral Health	Health Care	195	8	0.91%
Toward Independence	Health Care	195	9	0.91%
McDonald's	Food Services	184	10	0.86%
Total		<u>4,931</u>		
Total Employment within the City		<u><u>21,376</u></u>		

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1,478	1	6.89%
Xenia Community Schools	Education	1,013	2	4.72%
Greene Memorial Hospital	Health Care	878	3	4.09%
Walmart	Retail	505	4	2.35%
City of Xenia	Government	275	5	1.28%
Department of Defense	Government	268	6	1.25%
Super Valu	Distribution	252	7	1.17%
Mcdonalds Restaurants	Food Services	246	8	1.15%
Kroger Limited Ptr	Grocery	245	9	1.14%
Bob Evans	Food Services	215	10	1.00%
Total		<u>5,375</u>		
Total Employment within the City		<u><u>21,452</u></u>		

Sources:

City of Xenia Income Tax Department

CITY OF XENIA, OHIO

*Principal Property Tax Payers
Current Year and Five Years Ago*

Property Tax Payers	2016		
	Assessed Value	Rank	Percentage of Total Assessed Value
DP&L	7,661,820	1	2.13%
Deer Creek Community LLC	5,018,580	2	1.39%
City of Xenia	4,013,990	3	1.12%
Wal-Mart Real Estate Business	2,586,540	4	0.72%
Traditions at Xenia	2,325,140	5	0.65%
Ohio Valley Property Management	2,205,170	9	0.61%
Lowes Home Centers Inc	1,921,370	6	0.54%
Wood Xenia Center LLC	1,920,730	7	0.54%
Vectren Energy	1,678,180	8	0.47%
Xenia Bellbrook LLC	1,504,110	10	0.42%
Total Principal Property Tax Payers	30,835,630		
Total Assessed Value	358,938,640		

Employer	2011		
	Assessed Value	Rank	Percentage of Total Assessed Value
City of Xenia	8,708,850	1	2.31%
DP&L	6,044,740	2	1.61%
Deer Creek Community LLC	5,086,567	3	1.35%
Wal-Mart Real Estate Business	4,359,306	4	1.16%
Xenia Nominee LP	2,811,970	5	0.75%
Lowes Home Centers Inc	2,212,857	6	0.59%
Supervalu Holdings Inc	2,088,618	7	0.56%
Traditions At Xenia	1,878,534	8	0.50%
John Sale Manor Ltd	1,860,530	9	0.49%
Boymel Sam Trustee	1,805,650	10	0.48%
Total Principal Property Tax Payers	36,857,622		
Total Assessed Value	376,284,220		

Sources:

Greene County Auditor's Office

Data is not available prior to 2011.

CITY OF XENIA, OHIO

*Full Time Equivalent Employees by Function
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities				
General Government				
Finance	18.50	18.50	15.00	15.00
Legal/Court	29.00	30.50	32.00	32.00
Administration	6.00	6.00	5.00	5.00
Information Technology			2.00	2.00
Security of Persons and Property				
Police	70.00	70.00	67.00	65.00
Fire	43.00	42.00	41.00	41.00
Transportation				
Street	16.00	16.50	9.00	6.00
Garage			2.00	2.00
Leisure Time Activities				
Recreation/Seniors	4.25	4.50	0.00	0.00
Parks			1.50	1.50
Community Environment				
Service	10.00	8.00	0.00	0.00
Development/Planning			4.00	4.00
Engineering			4.00	4.00
Business-Type Activities				
Utilities				
Water	14.50	15.50	19.00	18.00
Sewer	16.00	16.00	15.00	15.00
Solid Waste	0.00	0.00	0.00	1.00
Storm Water	0.00	0.00	0.00	2.00
<i>Total Employees</i>	<u>227.25</u>	<u>227.50</u>	<u>216.50</u>	<u>213.50</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, OHIO

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
15.50	15.00	16.00	16.00	16.00	16.00
30.75	30.50	31.00	27.75	27.25	28.25
5.00	4.50	4.50	4.50	4.75	6.00
2.00	2.00	2.00	4.00	4.00	4.00
65.00	68.50	71.00	72.50	72.50	73.00
43.00	44.00	44.00	44.50	44.50	44.50
6.00	6.00	6.00	6.00	7.00	6.50
2.00	2.00	2.00	2.00	2.00	2.00
0.00	0.00	0.00	0.00	0.00	0.00
1.50	1.50	2.00	1.00	1.50	1.50
0.00	0.00	0.00	0.00	0.00	0.00
6.00	6.00	6.00	6.25	6.25	6.25
3.00	4.00	4.00	4.00	4.50	4.50
18.00	17.00	16.00	17.00	17.00	15.25
15.00	16.00	16.00	15.00	15.00	17.50
1.00	1.00	1.00	1.00	1.00	1.25
2.00	2.00	2.00	2.00	2.00	2.00
<u>215.75</u>	<u>220.00</u>	<u>223.50</u>	<u>223.50</u>	<u>225.25</u>	<u>228.50</u>

CITY OF XENIA, OHIO

*Operating Indicators by Function
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities				
General Government				
Court				
Number of Probation Cases	802	796	795	803
Number of Traffic Cases	9,624	12,234	9,579	8,984
Number of Criminal Cases		4,461	3,906	3,904
Number of Civil Cases		2,175	1,645	1,619
Licenses and Permits				
Number of Residential Constructions	123	91	26	23
Number of Commercial Constructions	4	4	2	1
Security of Persons and Property				
Police				
Number of Citations Issued	2,974	4,347	2,078	1,818
Number of Arrests	1,034	2,985	2,240	2,068
Number of Accidents	610	535	609	659
Fire				
Number of Fire Calls	984	1,210	875	819
Number of EMS Runs	3,437	3,752	3,543	3,470
Number of Inspections	255	141	185	72
Transportation				
Street				
Number of Streets Resurfaced	4	9	7	0
Leisure Time Activities				
Recreation/Seniors				
Number of Programs Offered	8	8	5	14
Number of Shelter Rentals	130	132	145	166
Business-Type Activities				
Water				
Number of Metered Accounts***	10,720	10,733	10,782	10,800
Daily Average Consumption (millions of gallons)	3.6	3.2	3.2	3.1
Peak Daily Consumption (millions of gallons)	8.0	8.0	8.0	8.0
Sewer				
Number of Metered Accounts***	10,692	10,635	10,664	10,680
Daily Average Sewage Treatment (millions of gallons)	4.8	5.0	4.1	4.0
Solid Waste *				
Number of Customers Served	9,760	9,512	9,496	9,543
Stormwater **				
Number of Customers Served	10,038	9,992	10,041	10,024

Source: City Finance Director's Office

* Billing for Solid Waste started in 2005

** Billing for Stormwater started in 2007

*** Prior to 2012 accounts include those properties which were vacant. Starting in 2012 the statistics reflect active accounts

CITY OF XENIA, OHIO

2011	2012	2013	2014	2015	2016
738	850	775	626	564	648
9,409	10,172	8,924	8,831	8,139	8,087
3,887	3,890	3,535	3,137	3,372	3,568
1,811	1,402	1,059	1,079	1,358	1,145
3	151	156	169	144	212
6	123	189	178	125	80
3,420	4,174	4,071	3,356	3,368	2,495
2,381	1,879	1,743	1,595	1,908	1,746
553	876	434	412	487	506
957	943	1,077	1,096	1,135	1,122
3,676	3,781	4,110	4,076	3,995	4,422
345	344	370	267	281	360
28	17	21	2	14	12
14	14	13	13	15	15
68	65	60	71	72	49
10,808	10,185	10,187	10,197	10,235	10,288
2.5	2.5	2.4	3.0	2.8	2.8
8.0	9.0	4.3	4.7	4.4	6.0
10,690	10,065	10,072	10,082	10,123	10,177
5.4	3.8	4.0	4.5	4.7	4.1
9,495	9,445	9,432	9,455	9,455	9,678
10,056	9,445	9,454	9,488	9,502	9,551

CITY OF XENIA, OHIO

*Capital Asset Statistics by Function
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities				
General Government				
Land (acres)	7,680	7,680	7,680	7,680
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	24	28	30	22
Fire				
Stations	2	2	2	2
Vehicles	11	12	12	11
Highways and Streets				
Streets (lane miles)	135	135	219	219
Street Lights	1,826	1,961	1,961	2,124
Traffic Signals	32	38	38	40
Recreation				
Land (acres)	122	122	122	120
Buildings/Shelters	17	20	20	12
Parks	15	15	15	14
Playgrounds	12	12	12	13
Tennis Courts	1	0	0	0
Baseball/Softball Diamonds	7	1	1	3
Soccer Fields	2	2	2	0
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	140	140	140	140
Pump Stations	1	1	1	1
Average Daily Consumption	3.6 (mgd)	3.2 (mgd)	3.2 (mgd)	3.1 (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, OHIO

2011	2012	2013	2014	2015	2016
7,680	7,677	7,677	8,320	8,320	8,320
1	1	1	1	1	1
22	23	28	22	20	23
2	2	2	2	2	2
11	13	14	14	13	13
219	219	219	219	219	219
2,134	2,134	2,145	2,165	2,165	2,165
40	40	40	40	40	40
120	117	117	112	112	112
12	11	11	13	13	14
14	13	13	13	13	13
13	11	11	11	11	13
0	0	0	0	0	0
3	3	3	6	6	6
0	0	0	0	0	0
142	142	142	142	142	142
1	1	1	1	1	1
2.5 (mgd)	2.5 (mgd)	2.4 (mgd)	3.0 (mgd)	2.8 (mgd)	2.8 (mgd)
8 (mgd)	9 (mgd)	9 (mgd)	9 (mgd)	9 (mgd)	9 (mgd)
146	146	146	146	146	146

CITY OF XENIA, OHIO

*Capital Asset Value by Function
Last Ten Years*

	2007	2008	2009	2010
Governmental Activities				
General Government				
Land and Improvements	\$259,130	\$259,130	\$259,130	\$259,130
Buildings	2,512,829	2,512,829	2,793,757	2,804,149
Equipment	1,111,705	1,118,943	1,240,923	1,260,554
Public Safety				
Land and Improvements	77,019	77,019	77,019	77,019
Buildings	701,839	701,839	956,607	1,233,558
Equipment	4,054,259	4,527,109	5,212,833	4,789,357
City Wide				
Land and Improvements	16,524,117	16,947,652	17,147,703	17,228,303
Buildings	2,733,586	2,733,586	2,835,423	2,703,757
Equipment	2,103,334	2,194,792	2,394,682	2,180,065
Infrastructure	13,256,761	13,819,509	15,065,947	15,247,920
Construction in Progress	120,618	850,778	273,106	685,664
Business-Type Activities				
Utilities				
Water				
Land and Improvements	177,094	177,094	214,794	214,794
Buildings and Improvements	2,870,415	2,870,415	2,870,415	2,900,634
Equipment	13,677,245	15,380,109	16,275,077	16,137,407
Construction in Progress	1,185,632	568,770	10,102	239,542
Sewer				
Land and Improvements	511,522	563,802	563,802	563,802
Buildings and Improvements	5,265,451	5,265,451	5,294,792	5,353,000
Equipment	23,764,397	25,290,062	25,469,564	25,477,355
Construction in Progress	805,505	0	212,444	2,351,012
Sanitation				
Land and Improvements	0	0	0	0
Buildings and Improvements	40,108	105,703	105,703	93,730
Equipment	761,167	761,167	778,320	778,320
Construction in Progress	6,560	0	0	0
Stormwater				
Land and Improvements	0	0	0	0
Buildings and Improvements	0	0	0	0
Equipment	7,767,217	8,740,317	8,740,317	8,801,902
Construction in Progress	0	0	0	0

CITY OF XENIA, OHIO

2011	2012	2013	2014	2015	2016
\$259,130	\$259,130	\$305,264	\$305,264	\$305,264	\$305,264
2,812,649	2,861,096	2,861,096	2,861,097	2,861,096	2,861,097
1,274,600	1,420,954	1,574,991	1,614,690	1,753,976	1,776,209
116,875	116,874	116,875	116,875	116,875	116,875
1,283,652	1,304,735	1,393,816	1,417,205	1,656,716	1,656,716
4,989,302	5,145,704	5,833,840	7,321,039	7,000,751	6,944,552
18,079,476	18,072,603	18,788,576	19,081,815	19,081,815	19,944,611
2,719,757	3,729,073	3,729,074	3,785,419	3,823,594	5,706,974
2,255,954	2,376,452	2,485,501	2,555,743	2,589,981	2,616,185
15,763,408	16,285,036	16,743,933	17,662,684	18,114,676	18,803,993
1,625,763	752,822	1,583,156	515,011	1,825,904	7,392,736
214,794	214,794	214,794	311,416	463,764	463,764
2,900,633	2,900,633	2,966,328	2,966,328	3,009,962	3,009,961
16,522,904	17,969,700	18,269,692	18,470,603	19,297,374	19,463,684
838,962	522,622	622,647	1,616,056	1,181,538	1,251,817
580,303	580,302	626,990	818,483	889,024	710,000
6,857,781	6,857,782	7,427,086	7,452,141	7,485,140	7,485,141
26,566,972	26,683,388	26,875,711	27,361,516	27,516,178	27,775,931
124,916	1,634,109	307,309	242,245	236,292	327,543
0	0	213,688	213,688	213,688	213,688
93,730	93,730	93,730	93,730	93,730	93,730
784,865	976,672	992,472	885,782	885,782	908,308
0	152,072	0	1,368	176,530	209,698
0	0	0	0	0	0
0	0	0	0	0	0
8,801,902	8,932,711	9,095,673	9,081,454	9,682,973	9,783,177
0	2,340	0	0	1,988	3,974

*Capital Asset Value by Function
Last Ten Years*

	2007	2008	2009	2010
Other Enterprise				
Land and Improvements	154,681	154,681	154,681	154,681
Buildings and Improvements	101,837	101,837	0	0
Equipment	54,430	54,430	0	20,081
Construction in Progress	89,285	42,470	0	56,301

Source: City Finance Director's Office

CITY OF XENIA, OHIO

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
263,951	263,951	263,951	263,951	263,951	263,951
0	0	0	0	0	0
20,081	20,081	20,081	20,081	20,081	20,081
0	57,261	0	0	0	0



CITY OF XENIA



Yellow Book Report

December 31, 2016

PLATTENBURG
Certified Public Accountants

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**INDEPENDENT AUDITORS' 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***

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Xenia (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 16, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses which are included in findings 2016-002 and 2016-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2016-001.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.

Dayton, Ohio

March 16, 2018

CITY OF XENIA
SCHEDULE OF AUDIT FINDINGS
December 31, 2016

2016-001 Finding Type —Noncompliance

Ohio Rev. Code § 117.38 requires the generally accepted accounting principles (GAAP) financial reports to be certified by the proper officer or board and filed with the auditor of state within one hundred fifty days after the close of the fiscal year. The Revised Code also provides that an entity other than a state agency, that does not file its financial report at the time required by this section to pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars.

The City filed a copy of its financial statements with the Auditor of State on December 4, 2017, almost one year after the fiscal year end.

Recommendation:

The City should prepare its financial statements within the required time frame in order to help provide the users with more timely, meaningful and complete financial information. Once the financial statements have been prepared, they should be filed with the Auditor of State and a notice should be published in a local newspaper. This will allow the concerned citizens to inspect the City's financial statements and allow for an open government.

Management's Response:

The City was unable to meet the filing deadline for 2016 due to delays associated with the 2015 CAFR and Audit. The City was not able to begin work on the 2016 CAFR until after the original deadline had already passed. The City strives to meet all deadlines required but in this instance, was not able to.

2016-002 Finding Type —Material Weakness – Bank Reconciliations

Cash is the asset most susceptible to theft and misappropriation. Monthly reconciliations between the bank and the books provide reasonable assurance that all receipts and expenditures have been correctly posted on the City of Xenia's books and have been correctly posted by the bank. Additionally, reconciliations provide the entity with a picture of its financial position at month-end. The City did not perform bank to book reconciliations throughout the fiscal year. This resulted in the City not being able to timely identify outstanding book and bank reconciling items. The City had not reconciled all of Fiscal Year 2016 until January 2018.

Recommendation:

The City should implement procedures to verify that monthly reconciliations between the bank balances to books are performed over all accounts and are subjected to regular independent reviews. Failure to do so could result in management using the incorrect cash balance as a basis for their decisions and bank errors going undetected in a timely manner. Further, the City should investigate the source of the variances between the books and the bank and take prompt and appropriate action to correct these variances.

Management's Response:

The City is making its best effort to become current on its reconciliations. Stricter guidelines will be put in place to ensure reconciliations are completed in a timely manner.

2016-003 Finding Type —Material Weakness – Financial Statement Misstatements

The City's 2016 financial statements contained various errors. The following errors were identified as material and resulted in audit adjustments which are reflected with the accompanying financial statements:

1. A capital asset that was acquired in 2013 was recorded as an addition in 2016. A prior period adjustment was required to correct this error.
2. Deferred outflow – pension required an adjustment of approximately \$1.8 million.
3. In the prior year a storm water capital asset was recorded in the Sewer fund. The City recorded a GAAP transfer to correct this entry. A prior period adjustment was required to correct this error.
4. Budgetary statements and schedules did not include prior year encumbrances in the budget columns requiring adjustments to these statements and schedules.
5. The Sanitation and the Internal Service Funds required reclassification adjustments.
6. GASB 72 and GASB 77 required new disclosures for the City in 2016. The City did not include the new disclosures in the draft prepared for audit.

Recommendation:

Develop a systematic, detailed financial statement preparation and review process. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

Management's Response:

The City has reviewed these errors with the auditors and has identified ways to correct and prevent similar errors in future.

CITY OF XENIA
SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2016

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2015-001	Ohio Rev. Code § 117.38 - Delay in completion of annual financial statements.	Not Corrected	Repeated as Finding Number 2016-001
2015-002	Material Weakness - Bank Reconciliations	Not Corrected	Repeated as Finding Number 2016-002
2015-003	Material Weakness -Financial Statement Mistatements	Not Corrected	Repeated as Finding Number 2016-003

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Dave Yost • 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
APRIL 12, 2018**