

Greene County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

City Council
City of Xenia
101 N. Detroit St.
Xenia, OH 45385

We have reviewed the Independent Auditor's Report of the City of Xenia, Greene County, prepared by Kennedy, Cottrell & Associates LLC, for the audit period January 1, 2003 through December 31, 2003. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 20, 2004

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THE CITY OF XENIA, OHIO

GREENE COUNTY

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2003**

**Prepared by:
Department of Finance**

**James E. Freeman
Finance Director**

**Mark A. Bazalak
Assistant Finance Director**

**Rebecca Louderback
Finance Technician**



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GREENE COUNTY, OHIO**

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INTRODUCTORY SECTION





CITY OF XENIA

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

phone (937) 376-7235

fax (937)-374-1818

June 30, 2004

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, 2003 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Xenia's financial activities have been included.

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

The City of Xenia has implemented the new financial model based upon GASB 34. Infrastructure assets acquired prior to 2002 have been added as a prior period adjustment.

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

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

***Letter of Transmittal
For the Year Ended December 31, 2003***

MAJOR INITIATIVES

For the Year

The City has continued to establish and work towards clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and City staff. The goal and objective setting process drives the organization. It is a continuing cycle of reviewing short and long-term goals, setting goals and objectives, evaluating the results, and reassessing short and long-term goals and their priority. In preparing the 2003 budget, the City identified several major programs/projects needed to meet citizens' needs for cost effective services, to comply with applicable mandated federal and state requirements and to maintain the City's infrastructure. These programs/projects include:

- Continued development of a plan and legislation to protect the City's well fields.
- Completed disaster resistant projects funded by the Project Impact Grant from FEMA.
- Implemented a hazard mitigation grant program to partially fund the construction of tornado safe rooms in single-family residences.
- Completed Phase 1 of the downtown streetscape renovation project.
- Completed Phase 2 of the reconstruction of North Detroit Street.
- Completed the U.S. 68 (N. Detroit Street, S. Detroit Street, and Home Avenue) repaving project.
- Replaced curb and sidewalk on Home Avenue from S. Detroit Street to S. Monroe Street.
- Started the ultra-violet treatment upgrade at the Ford Road and Glady Run wastewater treatment plants.

For the Future

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

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

Letter of Transmittal

For the Year Ended December 31, 2003

The major projects planned for 2004 are to complete the hazard mitigation grant program to construct residential tornado safe rooms; to complete the installation of ultraviolet disinfect equipment at the Ford Road and Gladly Run wastewater treatment plants; to start phase 1 of the West Third Street reconstruction project; to install traffic signalization and construct intersection improvements at U.S. 68 and Patton Street; and to replace an ambulance in the Fire Division. In the area of economic development, the City of Xenia will continue to provide financial and marketing assistance to promote retention and expansion of existing businesses and to attract new business. The City is aggressively pursuing annexation to increase the availability of suitable sites for economic development. The sites will be developed as environmentally clean industrial/commercial parks. Finally, with the enactment of legislation in 1989 designating the entire City as a rural enterprise zone for possible partial tax abatement for property and personal property taxes, all the economic development tools and resources are in place for the future. The City is optimistic that the investment made in its infrastructure and economic development program will continue to increase its economic base and quality of life for its citizens.

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

In conjunction with the H-Connector project, the City acquired approximately seven acres of railroad property in southern Xenia adjacent to the Little Miami Scenic Trail bikeway and constructed the "Xenia Station" bicycle transportation hub, a replica railway telegraph office which opened in May of 1998. The construction of the Little Miami Scenic Trail bikeway from Hedges Road to the Xenia Station site was completed in June, 1997 and the construction of the H-Connector bikeway from the Little Miami Scenic Trail to the Mad River bikeway was completed in the fall of 1997. The sites providing recreation to the citizens of Xenia, the bikeways have attracted many biking and hiking enthusiasts from outside the Xenia area, which will continue to bolster the local economy into future years.

The current slumping national, state and local economies will continue to be a concern in 2004. In developing the 2004, the City reduced its employee staffing level by 14-1/2 job positions resulting in an \$860,211 yearly reduction in personnel costs. In conjunction with the staffing level reductions other budgeted operating costs for 2004 in the key operating funds (General Fund, Income Tax Fund, and Street Fund) were also reduced. The cumulative effect of the personnel and operating cost reduction to the 2004 key operating funds budget is a decrease of \$1,289,700 from the budget for 2003. The City Council and City staff will continue to monitor the finances of the City to maintain its fiscal integrity.

***Letter of Transmittal
For the Year Ended December 31, 2003***

FINANCIAL INFORMATION

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

Single Audit

As a recipient of federal and state financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation and internal audit by City management. As part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state assistance programs, as well as to determine that the City has complied with applicable state and local laws and regulations. The results of the City's single audit for the fiscal year ended December 31, 2003 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Controls

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

Cash Management

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

CITY OF XENIA, OHIO

Letter of Transmittal For the Year Ended December 31, 2003

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

| | <u>2003</u> | <u>2002</u> |
|-----------------------------|-------------|--------------|
| Average monthly investments | \$9,775,028 | \$11,141,329 |
| Average yield | 3.36% | 5.47% |
| Total investment earnings | \$328,685 | \$609,044 |

This is a decrease in investment earnings of \$280,359 or 46% from 2002. This was due to lower interest rates, lower investment balance, and less maturities.

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

Risk Management

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

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by the State Auditor's Office or, at the State Auditor's discretion, an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Kennedy, Cottrell + Associates, Inc. to perform the 2003 audit of the City. In addition to meeting the requirements set forth in state statutes, the audit also covers the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. The auditors' unqualified opinion is included in the Financial Section of this report.

Awards

The Government Finance Officer's Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Xenia for its comprehensive annual financial report for the year ended December 31, 2002. This was the twentieth consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

*Letter of Transmittal
For the Year Ended December 31, 2003*

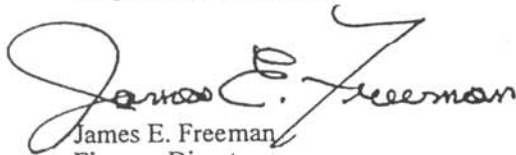
A Certificate of Achievement is valid for a period of only one year. We believe our current report will also conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

Respectfully submitted,


James E. Freeman
Finance Director

CITY OF XENIA, OHIO

**List of Principal Officials
For the Year Ended December 31, 2003**

CITY COUNCIL

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

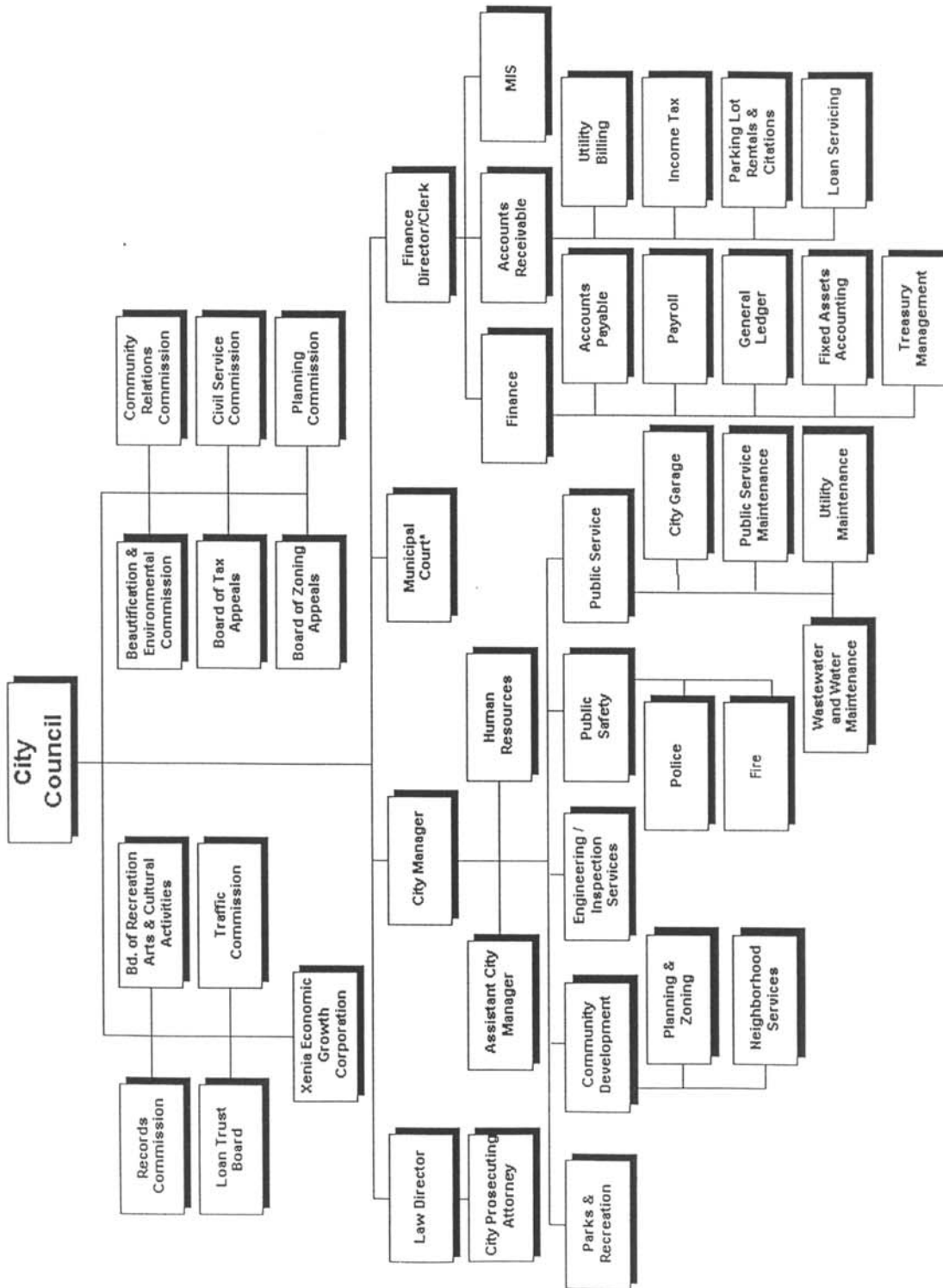
APPOINTED OFFICIALS

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

**DEPARTMENT OF FINANCE
STAFF**

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

City Organizational Chart
For the Year Ended December 31, 2003



*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Xenia,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



Edmund Henry

President

Jeffrey R. Erwin

Executive Director



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Xenia, Greene County, Ohio (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Municipal Income Tax, and State Gas and Vehicle License Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
June 30, 2004

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, 2003. 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 2003 are as follows:

In total, net assets decreased \$151,855. Net assets of governmental activities increased \$572,061 which represents a 1.4% increase from 2002. Net assets of business-type activities decreased by \$723,916 or 3.7% from 2002.

General revenues accounted for \$13.2 million or 54.7% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10.9 million or 45.3% of total revenues of \$24.1 million

Total assets of governmental activities increased by \$276,755 as capital assets increased by \$1.3 million while cash and other receivables declined by \$1 million.

The City had \$16.3 million in expenses related to governmental activities; \$3.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13.1 million provided additional support for these programs.

Among major funds, the general fund had \$9.5 million in revenues and \$12.8 million in expenditures. The general fund's fund balance increased \$568,115 to \$1,301,668.

Net assets for enterprise funds decreased slightly. This decrease resulted from revenues of \$7.2 million being lower than expenses of \$7.9 million.

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 Statements

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

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

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

To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base and current property tax laws as well as diversification in income tax base.

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

Governmental Activities – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.

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

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

Fund Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table shows a comparison of net assets between 2002 and 2003. It should be noted that during 2003 the City implemented the retroactive reporting requirements for infrastructure capital assets. Therefore, a prior period adjustment has been made to the 2002 totals for capital assets. A prior period adjustment was also made to reduce net assets due to recognizing revenue for a grant receivable prematurely.

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Current and other assets | \$10,856,253 | \$11,837,233 | \$6,180,240 | \$6,517,678 | \$17,036,493 | \$18,354,911 |
| Capital assets, Net | 35,300,692 | 34,042,957 | 22,408,357 | 23,311,664 | 57,709,049 | 57,354,621 |
| Total assets | 46,156,945 | 45,880,190 | 28,588,597 | 29,829,342 | 74,745,542 | 75,709,532 |
| Long-term debt outstanding | 3,338,333 | 2,645,858 | 9,537,567 | 10,019,654 | 12,875,900 | 12,665,512 |
| Other liabilities | 2,292,833 | 3,280,614 | 327,279 | 362,021 | 2,620,112 | 3,642,635 |
| Total liabilities | 5,631,166 | 5,926,472 | 9,864,846 | 10,381,675 | 15,496,012 | 16,308,147 |
| Net assets | | | | | | |
| Invested in capital assets, net of related debt | 33,083,163 | 3,211,114 | 14,518,147 | 14,970,070 | 47,601,310 | 18,181,184 |
| Restricted | 3,748,091 | 5,344,172 | 0 | 0 | 3,748,091 | 5,344,172 |
| Unrestricted | 3,694,525 | 2,098,432 | 4,205,604 | 4,477,597 | 7,900,129 | 6,576,029 |
| Total net assets | \$40,525,779 | \$39,953,718 | \$18,723,751 | \$19,447,667 | \$59,249,530 | \$59,401,385 |

**Management's Discussion and Analysis
For the Year Ended December 31, 2003**

Unaudited

Change in Net Assets – The following table shows the changes in net assets for the fiscal year 2003.

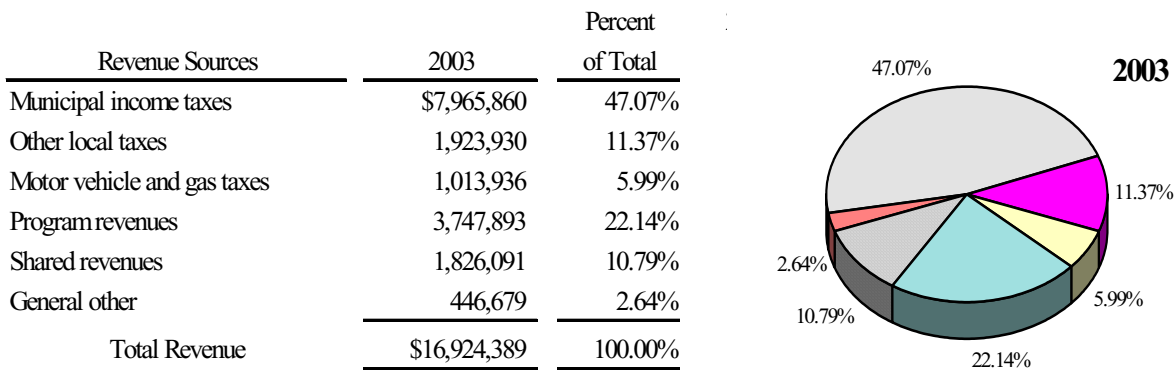
| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services and Sales | \$3,063,866 | \$2,426,858 | \$6,976,323 | \$6,938,424 | \$10,040,189 | \$9,365,282 |
| Operating Grants and Contributions | 261,262 | 406,583 | 0 | 0 | 261,262 | 406,583 |
| Capital Grants and Contributions | 422,765 | 1,539,900 | 200,065 | 1,016,757 | 622,830 | 2,556,657 |
| General revenues: | | | | | | |
| Income Taxes | 7,965,860 | 7,594,854 | 0 | 0 | 7,965,860 | 7,594,854 |
| Other Local Taxes | 1,923,930 | 1,584,911 | 0 | 0 | 1,923,930 | 1,584,911 |
| Motor Vehicle and Gasoline Taxes | 1,013,936 | 1,381,595 | 0 | 0 | 1,013,936 | 1,381,595 |
| Shared Revenues | 1,826,091 | 1,577,316 | 0 | 0 | 1,826,091 | 1,577,316 |
| Investment Earnings | 113,664 | 336,298 | 0 | 0 | 113,664 | 336,298 |
| Miscellaneous | 333,015 | 749,596 | 0 | 0 | 333,015 | 749,596 |
| Total revenues | 16,924,389 | 17,597,911 | 7,176,388 | 7,955,181 | 24,100,777 | 25,553,092 |
| Program Expenses | | | | | | |
| General Government | 3,454,462 | 3,201,365 | 0 | 0 | 3,454,462 | 3,201,365 |
| Public Safety | 9,937,145 | 9,990,485 | 0 | 0 | 9,937,145 | 9,990,485 |
| Health | 71,091 | 43,564 | 0 | 0 | 71,091 | 43,564 |
| Highways and Streets | 1,892,865 | 1,537,488 | 0 | 0 | 1,892,865 | 1,537,488 |
| Community Development | 319,046 | 279,349 | 0 | 0 | 319,046 | 279,349 |
| Recreation | 554,594 | 541,558 | 0 | 0 | 554,594 | 541,558 |
| Debt Service: | | | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 98,125 | 84,862 | 0 | 0 | 98,125 | 84,862 |
| Water | 0 | 0 | 2,463,686 | 2,488,047 | 2,463,686 | 2,488,047 |
| Sewer | 0 | 0 | 3,543,124 | 3,482,546 | 3,543,124 | 3,482,546 |
| Sanitation | 0 | 0 | 1,448,341 | 1,423,249 | 1,448,341 | 1,423,249 |
| Other Enterprise Funds | 0 | 0 | 470,153 | 413,014 | 470,153 | 413,014 |
| Total expenses | 16,327,328 | 15,678,671 | 7,925,304 | 7,806,856 | 24,252,632 | 23,485,527 |
| Total Change in Net Assets before Transfers | 597,061 | 1,919,240 | (748,916) | 148,325 | (151,855) | 2,067,565 |
| Transfers | (25,000) | (10,744) | 25,000 | 10,744 | 0 | 0 |
| Total Changes in Net Assets | 572,061 | 1,908,496 | (723,916) | 159,069 | (151,855) | 2,067,565 |
| Beginning Net Assets | 39,953,718 | 38,045,222 | 19,447,667 | 19,288,598 | 59,401,385 | 57,333,820 |
| Ending Net Assets | \$40,525,779 | \$39,953,718 | \$18,723,751 | \$19,447,667 | \$59,249,530 | \$59,401,385 |

Governmental Activities

Net assets of the City's governmental activities increased by \$572,061. This was due to an increase in capital assets. The increase in Investment in Capital Assets, Net of related debt amounted to \$572,049 of the net asset increase while only \$12 was related to other activities.

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

Other local taxes and income taxes made up 11.37% and 47.07% respectively of revenues for governmental activities for the City in fiscal year 2003. The City's reliance upon tax revenues is demonstrated by the following graph indicating 64.43% of total revenues from general tax revenues.



Business-Type Activities

Net assets of the business-type activities decreased by \$723,916. This decrease was the result of lower capital contributions primarily for water and sewer activities. Water and sewer rate increases are expected to address the net assets decrease.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$6,079,071 which is an increase from last year's balance of \$6,027,011. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2003 and 2002:

| | Fund Balance December 31, 2003 | Fund Balance December 31, 2002 | Increase (Decrease) |
|-------------------------------|-----------------------------------|-----------------------------------|------------------------|
| General | \$1,301,668 | \$733,553 | \$568,115 |
| Municipal Income Tax | 2,618,312 | 2,568,648 | 49,664 |
| State Gas and Vehicle License | 104,538 | 89,117 | 15,421 |
| Capital Improvement | 684,452 | 1,195,957 | (511,505) |
| Other Governmental | 1,370,101 | 1,439,736 | (69,635) |
| Total | \$6,079,071 | \$6,027,011 | \$52,060 |

CITY OF XENIA, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2003**

Unaudited

| | 2003 | 2002 | Increase |
|---|--------------------|--------------------|------------------|
| | Revenues | Revenues | (Decrease) |
| Municipal income taxes | \$3,269,244 | \$3,230,210 | \$39,034 |
| Other local taxes | 1,616,998 | 1,271,696 | 345,302 |
| State shared taxes and permits | 1,756,996 | 1,807,697 | (50,701) |
| Special assessments | 12,846 | 12,230 | 616 |
| Intergovernmental grants | 114,554 | 177,999 | (63,445) |
| Charges for services | 762,983 | 188,187 | 574,796 |
| Fines, costs, forfeitures, licenses and permits | 1,047,266 | 1,071,508 | (24,242) |
| Miscellaneous receipts including interest earnings | 922,821 | 913,580 | 9,241 |
| Total | <u>\$9,503,708</u> | <u>\$8,673,107</u> | <u>\$830,601</u> |

General Fund revenues in 2003 increased approximately 9.6% compared to revenues in fiscal year 2002. The most significant factor contributing to this increase was higher charges for services attributed to the EMS ambulance fees being in place for all of 2003 and higher property tax collections.

| | 2003 | 2002 | Increase |
|-----------------------|---------------------|---------------------|-----------------|
| | Expenditures | Expenditures | (Decrease) |
| General Government | \$2,331,223 | \$2,263,842 | \$67,381 |
| Public Safety | 9,427,917 | 9,501,873 | (73,956) |
| Health | 70,285 | 42,132 | 28,153 |
| Highways and Streets | 248,972 | 259,367 | (10,395) |
| Community Development | 299,088 | 256,039 | 43,049 |
| Recreation | 459,369 | 456,373 | 2,996 |
| Total | <u>\$12,836,854</u> | <u>\$12,779,626</u> | <u>\$57,228</u> |

General Fund expenditures increased by \$57,228 or .5% over the prior year mostly due to increases in salary and wages, retirement contributions, and health insurance premiums for the City's employees. The majority of the increase was offset by lower overtime costs in the fire budget.

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

During the course of fiscal year 2003 the City amended its General Fund budget several times, none significant.

CITY OF XENIA, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2003**

Unaudited

For the General Fund, final budget basis revenue of \$10 million did not significantly change over the original budget estimates of \$10.1 million. The General Fund had an adequate fund balance to cover expenditures.

Capital Improvement Fund - The City's General Capital Improvement Fund balance decrease is due to declining revenue to fund capital improvement projects. The tables that follow assist in illustrating the financial activities and balance of the General Capital Improvement fund.

| | 2003 | 2002 | Increase |
|---|------------------|--------------------|--------------------|
| | Revenues | Revenues | (Decrease) |
| Other Local Taxes | \$40,094 | \$42,598 | (\$2,504) |
| Special Assessments | 52 | 219 | (167) |
| Intergovernmental Grants | 653,132 | 113,870 | 539,262 |
| Charges for Service | 53,068 | 19,673 | 33,395 |
| Miscellaneous Receipts including Interest Earnings | 157,685 | 839,703 | (682,018) |
| Total | <u>\$904,031</u> | <u>\$1,016,063</u> | <u>(\$112,032)</u> |

Capital Improvement Fund revenues decreased approximately 11% compared to revenues in fiscal year 2002. The most significant factor related to this decrease was lower miscellaneous receipts and interest earnings. Miscellaneous receipts declined primarily due to lower insurance proceeds as a result of the 2000 tornado. Interest earnings declined due to lower balances and interest rates. The City also received funding of \$902,170 under a capital lease. The increase in Intergovernmental Grant revenue was primarily the result of grant money received for the repaving of a major thoroughfare in the City.

| | 2003 | 2002 | Increase |
|-----------------------------|--------------------|--------------------|------------------|
| | Expenditures | Expenditures | (Decrease) |
| Capital Outlay | \$2,098,550 | \$1,813,150 | \$285,400 |
| Debt Service: | | | |
| Principal Retirement | 171,484 | 62,247 | 109,237 |
| Interest and Fiscal Charges | 22,672 | 11,678 | 10,994 |
| Total | <u>\$2,292,706</u> | <u>\$1,887,075</u> | <u>\$405,631</u> |

Capital Improvement Fund expenditures increased by 21.5% over the prior year primarily due to an increase in capital outlay for public improvement projects.

CITY OF XENIA, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2003**

Unaudited

The primary funding for the Capital Improvements Fund comes from intergovernmental grants, interest earnings, and transfers. Lower balances and interest rates have caused revenue decline related to interest earnings. A transfer is made into the Capital Improvement Fund at year-end when possible based on financial policy. This transfer is made from our municipal income tax fund, one of our key operating funds (general fund, municipal income tax fund, state gas and vehicle license fund), into the capital improvements fund to the extent the balance in the key operating funds exceeds two months of operating reserves (the city's reserve requirement). The City has not been able to make this transfer for the past two years which has also impacted the capital improvements fund balance.

The City will need to pay close attention to the revenue stream when deciding to fund capital improvement projects in the future.

Enterprise Funds – The City's enterprise funds reported a net assets balance of \$18,699,601 which is a decrease from last year's balance of \$19,412,199. The schedule below indicates the net assets balance and the total change in net assets by activity as of December 31, 2003 and 2002.

| | Net Asset Balance December 31, 2003 | Net Asset Balance December 31, 2002 | Increase (Decrease) |
|------------------|--|--|------------------------|
| Water | \$8,660,881 | \$8,803,362 | (\$142,481) |
| Sewer | 8,975,721 | 9,530,775 | (555,054) |
| Sanitation | (215,678) | (237,241) | 21,563 |
| Other Enterprise | 1,278,677 | 1,315,303 | (36,626) |
| Total | <u>\$18,699,601</u> | <u>\$19,412,199</u> | <u>(\$712,598)</u> |

| | Water | | | Sewer | | |
|-----------------------|--------------------|--------------------|------------------------|--------------------|--------------------|------------------------|
| | 2003 | 2002 | Increase (Decrease) | 2003 | 2002 | Increase (Decrease) |
| Operating Revenues | \$2,191,142 | \$2,060,618 | \$130,524 | \$2,922,731 | \$2,924,573 | (\$1,842) |
| Nonoperating Revenues | 127,526 | 404,124 | (276,598) | 61,631 | 506,605 | (444,974) |
| Total | <u>\$2,318,668</u> | <u>\$2,464,742</u> | <u>(\$146,074)</u> | <u>\$2,984,362</u> | <u>\$3,431,178</u> | <u>(\$446,816)</u> |
| Operating Expenses | \$2,461,149 | \$2,490,075 | (\$28,926) | \$3,305,335 | \$3,230,007 | \$75,328 |
| Nonoperating Expenses | 0 | 1,273 | (1,273) | 234,081 | 255,746 | (21,665) |
| Total | <u>\$2,461,149</u> | <u>\$2,491,348</u> | <u>(\$30,199)</u> | <u>\$3,539,416</u> | <u>\$3,485,753</u> | <u>\$53,663</u> |

Net assets decreased by \$142,481 and \$555,054 for water and sewer respectively. The decrease in water and sewer accounts for 97.9% of the overall net asset decrease in the enterprise funds. The Net Asset decrease in both water and sewer can be attributed to lower non-operating revenues as a result of lower capital contributions. Water and sewer rate increases in the future are expected to address the Net Asset decreases.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2003 the City had \$57,709,049 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$35,300,692 was related to governmental activities, and \$22,408,357 to business-type activities. The capital asset balances for governmental activities for 2002 was restated due to the addition of infrastructure assets. The following table shows fiscal year 2003 and 2002 balances:

| | Governmental Activities | | Increase (Decrease) |
|--------------------------------|----------------------------|---------------------|------------------------|
| | 2003 | 2002 | |
| Land | \$14,739,450 | \$14,739,450 | \$0 |
| Land Improvements | 1,172,613 | 1,086,845 | 85,768 |
| Buildings | 5,530,923 | 5,517,052 | 13,871 |
| Equipment | 14,748,851 | 13,476,573 | 1,272,278 |
| Infrastructure | 11,022,587 | 9,485,803 | 1,536,784 |
| Construction in Progress | 28,500 | 1,029,296 | (1,000,796) |
| Less: Accumulated Depreciation | (11,942,232) | (11,292,062) | (650,170) |
| Totals | <u>\$35,300,692</u> | <u>\$34,042,957</u> | <u>\$1,257,735</u> |

| | Business-Type Activities | | Increase (Decrease) |
|--------------------------------|-----------------------------|---------------------|------------------------|
| | 2003 | 2002 | |
| Land | \$424,252 | \$424,252 | \$0 |
| Land Improvements | 377,694 | 374,539 | 3,155 |
| Buildings | 8,284,010 | 8,233,646 | 50,364 |
| Equipment | 35,262,989 | 35,101,669 | 161,320 |
| Construction in Progress | 52,291 | 15,112 | 37,179 |
| Less: Accumulated Depreciation | (21,992,879) | (20,837,554) | (1,155,325) |
| Totals | <u>\$22,408,357</u> | <u>\$23,311,664</u> | <u>(\$903,307)</u> |

The primary increases occurred in the governmental activities. The increase in governmental activities resulted from the acquisition of infrastructure and major fire equipment purchases.

As of December 31, 2003, the City has no contractual commitments for construction. Additional information on the City's capital assets can be found in Note 10.

Debt

At December 31, 2003 the City had \$1.27 million in bonds outstanding, \$50,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2003 and 2002:

| | 2003 | 2002 |
|--------------------------------|---------------------|---------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$1,270,000 | \$1,315,000 |
| Capital Leases Payable | 947,529 | 216,843 |
| Compensated Absences | 1,120,804 | 1,114,015 |
| Total Governmental Activities | <u>3,338,333</u> | <u>2,645,858</u> |
| Business-Type Activities: | | |
| Landfill Liability | 1,261,167 | 1,300,000 |
| Compensated Absences | 386,190 | 378,060 |
| Loans Payable | 7,890,210 | 8,341,594 |
| Total Business-Type Activities | <u>9,537,567</u> | <u>10,019,654</u> |
| | <u>\$12,875,900</u> | <u>\$12,665,512</u> |

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2003, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 12, 13 and 14.

ECONOMIC FACTORS

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

The City continued during 2003 to attract several new businesses and to have several existing businesses expand. In addition, the water and sewer utilities along with the main entrance road have been designed and engineered to serve the 277 plus acres of undeveloped land that was annexed to the City in 2001 for future commercial/industrial development. State funding has been approved to assist in the financing of the construction of the infrastructure for the newly annexed land. There are currently sixteen (16) approved single family and condominium residential housing projects in various stages of development in Xenia. At "build out" these projects will add 2,458 single family and condominium units to the City's housing stock and will increase the City's population by a projected 6,600 residents. This growth will continue to increase the City's property tax and income tax base. The community currently has a 5 percent unemployment rate as compared to a statewide rate of 6.1 percent and a national average of 6.0 percent.

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

On October 20, 2000, the City was designated a Project Impact Community by the Federal Emergency Management Agency (FEMA). This designation was unique because Xenia was the first community in the history of the program to be designated a Project Impact Community immediately following a disaster. The City has embraced the philosophy of Project Impact and proven its commitment to disaster resistance by requiring hurricane straps in all new homes and exploring several safe room concepts. Partnerships have been developed with a broad cross section of the community to achieve identified project goals such as: protective window film for schools, weather radios, electrical hook ups for generators to supply power at emergency shelters, and new tornado sirens. The City was awarded a \$200,000 grant from FEMA to provide the financial resources needed to accomplish the Project Impact goals of a more disaster resistant community. This program was completed in 2003.

In 2003 the City implemented a hazard mitigation grant program (HMGP) to partially fund the construction of tornado safe rooms in single family residences. The City will receive \$179,500 in grant money from the Federal Emergency Management Agency (FEMA) for the program.

REQUESTS FOR INFORMATION

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



CITY OF XENIA, OHIO

**Statement of Net Assets
December 31, 2003**

| | <u>Primary Government</u> | | | <u>Component Unit</u> |
|---|--------------------------------|---------------------------------|----------------------|-----------------------|
| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> | <u>XEGC</u> |
| Assets: | | | | |
| Cash and cash equivalents | \$ 848,302 | \$ 802,586 | \$ 1,650,888 | \$ 249,371 |
| Investments | 3,480,349 | 3,673,663 | 7,154,012 | 375,000 |
| Receivables: | | | | |
| Taxes, including interest, penalties and liens | 3,865,422 | 0 | 3,865,422 | 0 |
| Intergovernmental | 1,394,956 | 0 | 1,394,956 | 0 |
| Accounts | 1,005,659 | 787,255 | 1,792,914 | 809 |
| Special assessments, including liens | 102,256 | 11,217 | 113,473 | 0 |
| Loans | 0 | 597,272 | 597,272 | 170,639 |
| Accrued interest | 60,639 | 63,096 | 123,735 | 1,389 |
| Grants | 288,135 | 381,853 | 669,988 | 0 |
| Allowance for uncollectible accounts | (385,537) | (361,748) | (747,285) | 0 |
| Interfund balances | (17,961) | 17,961 | 0 | 0 |
| Inventories | 70,328 | 144,351 | 214,679 | 0 |
| Prepaid items | 143,705 | 62,734 | 206,439 | 3,901 |
| Capital Assets, net of accumulated depreciation | 35,300,692 | 22,408,357 | 57,709,049 | 3,110 |
| Total Assets | 46,156,945 | 28,588,597 | 74,745,542 | 804,219 |
| Liabilities: | | | | |
| Accounts payable | 164,016 | 163,496 | 327,512 | 1,116 |
| Accrued payroll | 787,756 | 163,783 | 951,539 | 47,427 |
| Deferred revenue | 1,329,654 | 0 | 1,329,654 | 0 |
| Accrued interest payable | 11,407 | 0 | 11,407 | 0 |
| Long-term liabilities: | | | | |
| Amounts due within one year | 320,537 | 584,514 | 905,051 | 0 |
| Amounts due in more than one year | 3,017,796 | 8,953,053 | 11,970,849 | 0 |
| Total Liabilities | 5,631,166 | 9,864,846 | 15,496,012 | 48,543 |
| Net Assets: | | | | |
| Invested in Capital Assets, Net of Related Debt | 33,083,163 | 14,518,147 | 47,601,310 | 3,110 |
| Restricted For: | | | | |
| Capital Projects | 46,418 | 0 | 46,418 | 0 |
| Debt Service | 36,807 | 0 | 36,807 | 0 |
| Other Purposes | 3,664,866 | 0 | 3,664,866 | 0 |
| Unrestricted (Deficit) | 3,694,525 | 4,205,604 | 7,900,129 | 752,566 |
| Total Net Assets | \$ 40,525,779 | \$ 18,723,751 | \$ 59,249,530 | \$ 755,676 |

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Activities
For the Year Ended December 31, 2003**

| | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| Current: | | | | |
| General government | \$ 3,454,462 | \$ 1,382,825 | \$ 83,333 | \$ 0 |
| Public safety | 9,937,145 | 1,604,231 | 133,903 | 83,419 |
| Health | 71,091 | 26,160 | 0 | 0 |
| Highways and streets | 1,892,865 | 1,918 | 44,026 | 320,161 |
| Community development | 319,046 | 25,445 | 0 | 0 |
| Recreation | 554,594 | 23,287 | 0 | 19,185 |
| Debt service: | | | | |
| Interest and fiscal charges | 98,125 | 0 | 0 | 0 |
| Total Governmental Activities | 16,327,328 | 3,063,866 | 261,262 | 422,765 |
| Business-Type Activities: | | | | |
| Water | 2,463,686 | 2,247,479 | 0 | 71,189 |
| Sewer | 3,543,124 | 2,984,362 | 0 | 0 |
| Sanitation | 1,448,341 | 1,464,831 | 0 | 0 |
| Other enterprise funds | 470,153 | 279,651 | 0 | 128,876 |
| Total Business-Type Activities | 7,925,304 | 6,976,323 | 0 | 200,065 |
| Total primary government | \$ 24,252,632 | \$ 10,040,189 | \$ 261,262 | \$ 622,830 |
| Component Unit: | | | | |
| XEGC | \$ 368,094 | \$ 196,235 | \$ 0 | \$ 0 |

General Revenues:

Income taxes
Other local taxes
Motor vehicle and gas taxes
Shared revenues
Investment earnings
Miscellaneous
Transfers

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

| Net (Expense) Revenue and Changes in Net Assets | | | |
|--|-----------------------------|---------------------------------|------------------------------|
| Governmental Activities | Business-Type Activities | Total | XEGC |
| \$ (1,988,304) | \$ 0 | \$ (1,988,304) | |
| (8,115,592) | 0 | (8,115,592) | |
| (44,931) | 0 | (44,931) | |
| (1,526,760) | 0 | (1,526,760) | |
| (293,601) | 0 | (293,601) | |
| (512,122) | 0 | (512,122) | |
| <u>(98,125)</u> | <u>0</u> | <u>(98,125)</u> | |
| <u>(12,579,435)</u> | <u>0</u> | <u>(12,579,435)</u> | |
| 0 | (145,018) | (145,018) | |
| 0 | (558,762) | (558,762) | |
| 0 | 16,490 | 16,490 | |
| 0 | (61,626) | (61,626) | |
| <u>0</u> | <u>(748,916)</u> | <u>(748,916)</u> | |
| <u>\$ (12,579,435)</u> | <u>\$ (748,916)</u> | <u>\$ (13,328,351)</u> | |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (171,859)</u> |
| \$ 7,965,860 | \$ 0 | \$ 7,965,860 | \$ 0 |
| 1,923,930 | 0 | 1,923,930 | 0 |
| 1,013,936 | 0 | 1,013,936 | 0 |
| 1,826,091 | 0 | 1,826,091 | 0 |
| 113,664 | 0 | 113,664 | 0 |
| 333,015 | 0 | 333,015 | 0 |
| (25,000) | 25,000 | 0 | 0 |
| <u>13,151,496</u> | <u>25,000</u> | <u>13,176,496</u> | <u>0</u> |
| 572,061 | (723,916) | (151,855) | (171,859) |
| <u>39,953,718</u> , as restated | <u>19,447,667</u> | <u>59,401,385</u> , as restated | <u>927,535</u> , as restated |
| <u>\$ 40,525,779</u> | <u>\$ 18,723,751</u> | <u>\$ 59,249,530</u> | <u>\$ 755,676</u> |

CITY OF XENIA, OHIO

**Balance Sheet
Governmental Funds
December 31, 2003**

| | General | Municipal Income Tax | State Gas and Vehicle License | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------|-------------------------------------|-------------------------|--------------------------------|--------------------------------|
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 130,180 | \$ 346,362 | \$ 1,622 | \$ 112,288 | \$ 247,341 | \$ 837,793 |
| Investments | 245,104 | 1,624,110 | 7,605 | 481,669 | 1,072,583 | 3,431,071 |
| Receivables: | | | | | | |
| Taxes, including interest, penalties and liens | 2,280,626 | 1,159,218 | 0 | 4,050 | 421,528 | 3,865,422 |
| Intergovernmental | 877,819 | 0 | 389,000 | 0 | 128,137 | 1,394,956 |
| Accounts | 931,787 | 0 | 0 | 65,084 | 7,600 | 1,004,471 |
| Special assessments, including liens | 102,256 | 0 | 0 | 0 | 0 | 102,256 |
| Accrued interest | 0 | 0 | 199 | 43,443 | 16,997 | 60,639 |
| Grants | 139,909 | 0 | 0 | 62,124 | 86,102 | 288,135 |
| Allowance for uncollectible accounts | (355,934) | 0 | 0 | (29,603) | 0 | (385,537) |
| Interfund receivables | 0 | 0 | 0 | 4,490 | 0 | 4,490 |
| Inventories | 7,029 | 0 | 28,091 | 0 | 0 | 35,120 |
| Prepaid items | 114,980 | 1,726 | 4,866 | 0 | 18,668 | 140,240 |
| Advances to other funds | 0 | 0 | 0 | 14,091 | 0 | 14,091 |
| Total Assets | \$ 4,473,756 | \$ 3,131,416 | \$ 431,383 | \$ 757,636 | \$ 1,998,956 | \$ 10,793,147 |
| Liabilities: | | | | | | |
| Accounts payable | \$ 77,808 | \$ 1,940 | \$ 19,584 | \$ 28,651 | \$ 12,225 | \$ 140,208 |
| Accrued payroll | 720,946 | 13,747 | 35,504 | 0 | 11,890 | 782,087 |
| Deferred revenue | 2,373,334 | 497,417 | 271,757 | 44,533 | 604,740 | 3,791,781 |
| Total Liabilities | 3,172,088 | 513,104 | 326,845 | 73,184 | 628,855 | 4,714,076 |
| Fund Balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 114,564 | 7,784 | 14,344 | 45,061 | 32,077 | 213,830 |
| Inventories | 7,029 | 0 | 28,091 | 0 | 0 | 35,120 |
| Prepaid items | 114,980 | 1,726 | 4,866 | 0 | 18,668 | 140,240 |
| Advances to other funds | 0 | 0 | 0 | 14,091 | 0 | 14,091 |
| Debt service | 0 | 0 | 0 | 0 | 36,674 | 36,674 |
| Unreserved and undesignated in: | | | | | | |
| General Fund | 1,065,095 | 0 | 0 | 0 | 0 | 1,065,095 |
| Special revenue funds | 0 | 2,608,802 | 57,237 | 0 | 882,588 | 3,548,627 |
| Capital projects funds | 0 | 0 | 0 | 625,300 | 400,094 | 1,025,394 |
| Total Fund Balances | 1,301,668 | 2,618,312 | 104,538 | 684,452 | 1,370,101 | 6,079,071 |
| Total Liabilities and Funds Balances | \$ 4,473,756 | \$ 3,131,416 | \$ 431,383 | \$ 757,636 | \$ 1,998,956 | \$ 10,793,147 |

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2003***

| | |
|---|-----------------------------|
| Total Governmental Fund Balances | \$ 6,079,071 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | |
| Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. | 35,300,692 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 2,462,126 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | (3,349,740) |
| The City Garage internal service fund is used by management to charge the costs of vehicle maintainance to individual departments. The assets and liabilities of the City Garage fund are allocated between the governmental and business-type activities in the statement of net assets. This is the amount that applies to the governmental activities. | <u>33,630</u> |
| <i>Net Assets of Governmental Funds</i> | <u><u>\$ 40,525,779</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, 2003**

| | General | Municipal Income Tax | State Gas and Vehicle License | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------|-------------------------------------|-------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Municipal income tax | \$ 3,269,244 | \$ 4,587,217 | \$ 0 | \$ 0 | \$ 0 | \$ 7,856,461 |
| Other local taxes | 1,616,998 | 0 | 0 | 40,094 | 266,838 | 1,923,930 |
| State shared taxes and permits | 1,756,996 | 0 | 752,760 | 0 | 286,398 | 2,796,154 |
| Special assessments | 12,846 | 0 | 0 | 52 | 0 | 12,898 |
| Intergovernmental grants | 114,554 | 0 | 44,026 | 653,132 | 231,366 | 1,043,078 |
| Charges for services | 762,983 | 0 | 1,500 | 53,068 | 0 | 817,551 |
| Fines, costs, forfeitures, licenses and permits | 1,047,266 | 0 | 0 | 0 | 262,347 | 1,309,613 |
| Miscellaneous receipts and reimbursements, including interest | 922,821 | 108 | 2,035 | 157,685 | 111,676 | 1,194,325 |
| Total Revenue | 9,503,708 | 4,587,325 | 800,321 | 904,031 | 1,158,625 | 16,954,010 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 2,331,223 | 322,661 | 0 | 0 | 277,158 | 2,931,042 |
| Public safety | 9,427,917 | 0 | 0 | 0 | 174,356 | 9,602,273 |
| Health | 70,285 | 0 | 0 | 0 | 0 | 70,285 |
| Highways and streets | 248,972 | 0 | 1,074,847 | 0 | 115,296 | 1,439,115 |
| Community development | 299,088 | 0 | 0 | 0 | 0 | 299,088 |
| Recreation | 459,369 | 0 | 0 | 0 | 10,925 | 470,294 |
| Capital outlay | 0 | 0 | 0 | 2,098,550 | 564,700 | 2,663,250 |
| Debt service: | | | | | | |
| Principal retirement | 0 | 0 | 0 | 171,484 | 45,000 | 216,484 |
| Interest & fiscal charges | 0 | 0 | 0 | 22,672 | 71,825 | 94,497 |
| Total Expenditures | 12,836,854 | 322,661 | 1,074,847 | 2,292,706 | 1,259,260 | 17,786,328 |
| Excess (deficiency) of revenues over expenditures | (3,333,146) | 4,264,664 | (274,526) | (1,388,675) | (100,635) | (832,318) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 3,900,000 | 0 | 284,000 | 0 | 31,000 | 4,215,000 |
| Transfers out | 0 | (4,215,000) | 0 | (25,000) | 0 | (4,240,000) |
| Other Financing Sources- Capital Leases | 0 | 0 | 0 | 902,170 | 0 | 902,170 |
| Total other financing sources (uses) | 3,900,000 | (4,215,000) | 284,000 | 877,170 | 31,000 | 877,170 |
| Net changes in fund balances | 566,854 | 49,664 | 9,474 | (511,505) | (69,635) | 44,852 |
| Fund Balances at Beginning of Year | 733,553 | 2,568,648 | 89,117 | 1,195,957 | 1,439,736 | 6,027,011 |
| Increase (decrease) in inventory reserve | 1,261 | 0 | 5,947 | 0 | 0 | 7,208 |
| Fund Balances End of Year | \$ 1,301,668 | \$ 2,618,312 | \$ 104,538 | \$ 684,452 | \$ 1,370,101 | \$ 6,079,071 |

See accompanying notes to the basic financial statements

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2003***

| | |
|--|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 44,852 |
| <i>Amounts reported for governmental activities in the statement of activities are different because</i> | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation. | 1,448,461 |
| Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets. | (193,771) |
| Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (52,122) |
| The repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | 216,484 |
| New capital leases increase long-term liabilities in the statement of net assets but are an other financing source-capital leases in the governmental funds. | (902,170) |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | (3,628) |
| 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. | 419 |
| The City Garage Internal Service Fund, which is used to charge the cost of services to individual funds, is not included in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the City Garage Internal Service Fund is allocated among the governmental and business-type activities. | <u>13,536</u> |
| <i>Change in Net Assets of Governmental Activities</i> | <u>\$ 572,061</u> |

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2003**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------------|---------------------|-------------------|---|
| Revenues: | | | | |
| Municipal Income Tax | \$ 3,425,429 | \$ 3,425,429 | \$ 3,235,935 | \$ (189,494) |
| Other Local Taxes | 1,527,908 | 1,527,908 | 1,386,998 | (140,910) |
| State Shared Taxes and Permits | 1,896,485 | 1,807,323 | 1,729,400 | (77,923) |
| Special Assessments | 12,846 | 12,846 | 12,846 | 0 |
| Intergovernmental Grants | 139,723 | 139,723 | 133,494 | (6,229) |
| Charges for Services | 855,404 | 855,404 | 716,560 | (138,844) |
| Fines, Costs, Forfeitures, Licenses and Permits | 1,186,000 | 1,186,000 | 1,043,268 | (142,732) |
| Miscellaneous Receipts and Reimbursements, including Interest | 1,094,253 | 1,027,633 | 910,420 | (117,213) |
| Total Revenues | <u>10,138,048</u> | <u>9,982,266</u> | <u>9,168,921</u> | <u>(813,345)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 2,623,001 | 2,636,868 | 2,406,861 | 230,007 |
| Public Safety | 10,141,448 | 10,179,269 | 9,568,710 | 610,559 |
| Health | 78,044 | 78,044 | 71,224 | 6,820 |
| Highways and Streets | 282,075 | 282,075 | 251,354 | 30,721 |
| Community Development | 320,769 | 320,769 | 300,403 | 20,366 |
| Recreation | 502,202 | 502,202 | 470,373 | 31,829 |
| Total Expenditures | <u>13,947,539</u> | <u>13,999,227</u> | <u>13,068,925</u> | <u>930,302</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,809,491) | (4,016,961) | (3,900,004) | 116,957 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 4,500,000 | 4,500,000 | 3,900,000 | (600,000) |
| Total Other Financing Sources (Uses): | <u>4,500,000</u> | <u>4,500,000</u> | <u>3,900,000</u> | <u>(600,000)</u> |
| Net Change in Fund Balance | 690,509 | 483,039 | (4) | (483,043) |
| Fund Balance at Beginning of Year | 135,327 | 135,327 | 135,327 | 0 |
| Encumbrances | 0 | 0 | 162,052 | (162,052) |
| Fund Balance at End of Year | <u>\$ 825,836</u> | <u>\$ 618,366</u> | <u>\$ 297,375</u> | <u>\$ (320,991)</u> |

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Municipal Income Tax Fund
For the Year Ended December 31, 2003**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Municipal Income Tax | \$ 4,723,674 | \$ 4,723,674 | \$ 4,540,011 | \$ (183,663) |
| Miscellaneous Receipts and Reimbursements, including Interest | 1,140 | 1,140 | 108 | (1,032) |
| Total Revenues | <u>4,724,814</u> | <u>4,724,814</u> | <u>4,540,119</u> | <u>(184,695)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 387,801 | 387,801 | 336,530 | 51,271 |
| Total Expenditures | <u>387,801</u> | <u>387,801</u> | <u>336,530</u> | <u>51,271</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,337,013 | 4,337,013 | 4,203,589 | (133,424) |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (4,922,500) | (4,966,100) | (4,215,000) | 751,100 |
| Total Other Financing Sources (Uses): | <u>(4,922,500)</u> | <u>(4,966,100)</u> | <u>(4,215,000)</u> | <u>751,100</u> |
| Net Changes in Fund Balance | (585,487) | (629,087) | (11,411) | 617,676 |
| Fund Balance at Beginning of Year | 1,972,208 | 1,972,208 | 1,972,208 | 0 |
| Encumbrances | 0 | 0 | 9,675 | (9,675) |
| Fund Balance at End of Year | <u>\$ 1,386,721</u> | <u>\$ 1,343,121</u> | <u>\$ 1,970,472</u> | <u>\$ 627,351</u> |

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – State Gas and Vehicle License Fund
For the Year Ended December 31, 2003**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| Revenues: | | | | |
| State Shared Taxes and Permits | \$ 670,000 | \$ 670,000 | \$ 733,512 | \$ 63,512 |
| Intergovernmental Grants | 0 | 44,000 | 44,026 | 26 |
| Charges for Services | 1,000 | 1,000 | 1,500 | 500 |
| Miscellaneous Receipts and Reimbursements, including Interest | 6,731 | 6,331 | 2,958 | (3,373) |
| Total Revenues | <u>677,731</u> | <u>721,331</u> | <u>781,996</u> | <u>60,665</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and Streets | 1,076,628 | 1,164,228 | 1,106,057 | 58,171 |
| Total Expenditures | <u>1,076,628</u> | <u>1,164,228</u> | <u>1,106,057</u> | <u>58,171</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (398,897) | (442,897) | (324,061) | 118,836 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 380,000 | 423,600 | 284,000 | (139,600) |
| Total Other Financing Sources (Uses): | <u>380,000</u> | <u>423,600</u> | <u>284,000</u> | <u>(139,600)</u> |
| Net Change in Fund Balance | (18,897) | (19,297) | (40,061) | (20,764) |
| Fund Balance at Beginning of Year | 20,527 | 20,527 | 20,527 | 0 |
| Encumbrances | 0 | 0 | 28,761 | (28,761) |
| Fund Balance at End of Year | <u>\$ 1,630</u> | <u>\$ 1,230</u> | <u>\$ 9,227</u> | <u>\$ 7,997</u> |

See accompanying notes to the basic financial statements



CITY OF XENIA, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2003**

| | <i>Business-type activities - Enterprise Funds</i> | | |
|--|--|---------------------|---------------------|
| | Water | Sewer | Sanitation |
| Assets: | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 312,727 | \$ 290,632 | \$ 116,473 |
| Investments | 1,421,538 | 1,317,934 | 546,150 |
| Receivables: | | | |
| Accounts | 290,574 | 397,604 | 97,836 |
| Special assessments, including liens | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 |
| Accrued interest | 23,525 | 26,211 | 8,969 |
| Grants | 0 | 0 | 0 |
| Allowance for uncollectible accounts | (2,100) | (2,100) | (1,100) |
| Inventories | 127,609 | 16,742 | 0 |
| Prepaid items | 34,165 | 23,192 | 4,393 |
| Total Current Assets | 2,208,038 | 2,070,215 | 772,721 |
| Noncurrent Assets: | | | |
| Unrestricted: | | | |
| Loans receivable (net of current) | 0 | 0 | 0 |
| Allowance for uncollectible loans | 0 | 0 | 0 |
| Capital Assets (net of accumulated depreciation) | 6,760,697 | 15,047,905 | 410,055 |
| Total Noncurrent Assets | 6,760,697 | 15,047,905 | 410,055 |
| Total Assets | 8,968,735 | 17,118,120 | 1,182,776 |
| Liabilities: | | | |
| Current Liabilities: | | | |
| Accounts payable | 21,350 | 46,818 | 85,936 |
| Accrued payroll | 79,902 | 67,217 | 14,169 |
| Interfund payable | 0 | 0 | 0 |
| Loan payable | 0 | 464,424 | 0 |
| Landfill liability - current | 0 | 0 | 60,090 |
| Total Current Liabilities | 101,252 | 578,459 | 160,195 |
| Noncurrent Liabilities | | | |
| Accrued payroll | 206,602 | 138,154 | 37,182 |
| Advances from other funds | 0 | 0 | 0 |
| Loans payable | 0 | 7,425,786 | 0 |
| Landfill liability - noncurrent | 0 | 0 | 1,201,077 |
| Total Noncurrent Liabilities | 206,602 | 7,563,940 | 1,238,259 |
| Total Liabilities | 307,854 | 8,142,399 | 1,398,454 |
| Net Assets: | | | |
| Invested in Capital Assets, net of debt | 6,760,697 | 7,157,695 | 410,055 |
| Unrestricted | 1,900,184 | 1,818,026 | (625,733) |
| Total Net Assets | \$ 8,660,881 | \$ 8,975,721 | \$ (215,678) |

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

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

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

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

| Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
|---------------------------|---------------------------|---------------------------|
| \$ 81,768 | \$ 801,600 | \$ 11,495 |
| 383,418 | 3,669,040 | 53,901 |
| 1,241 | 787,255 | 1,188 |
| 11,217 | 11,217 | 0 |
| 26,500 | 26,500 | 0 |
| 4,391 | 63,096 | 0 |
| 381,853 | 381,853 | 0 |
| 0 | (5,300) | 0 |
| 0 | 144,351 | 35,208 |
| 448 | 62,198 | 4,001 |
| <u>890,836</u> | <u>5,941,810</u> | <u>105,793</u> |
| 570,772 | 570,772 | 0 |
| (356,448) | (356,448) | 0 |
| 188,222 | 22,406,879 | 13,172 |
| <u>402,546</u> | <u>22,621,203</u> | <u>13,172</u> |
| <u>1,293,382</u> | <u>28,563,013</u> | <u>118,965</u> |
| 7,958 | 162,062 | 25,242 |
| 2,495 | 163,783 | 5,668 |
| 0 | 0 | 4,490 |
| 0 | 464,424 | 0 |
| 0 | 60,090 | 0 |
| <u>10,453</u> | <u>850,359</u> | <u>35,400</u> |
| 4,252 | 386,190 | 16,680 |
| 0 | 0 | 14,091 |
| 0 | 7,425,786 | 0 |
| 0 | 1,201,077 | 0 |
| <u>4,252</u> | <u>9,013,053</u> | <u>30,771</u> |
| <u>14,705</u> | <u>9,863,412</u> | <u>66,171</u> |
| 188,222 | 14,516,669 | 13,172 |
| 1,090,455 | 4,182,932 | 39,622 |
| <u>\$ 1,278,677</u> | <u>\$ 18,699,601</u> | <u>\$ 52,794</u> |
| | 6,189 | |
| | 17,961 | |
| | <u>\$ 18,723,751</u> | |

CITY OF XENIA, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2003**

| | <i>Business-type Activities - Enterprise Funds</i> | | |
|---|--|--------------|--------------|
| | Water | Sewer | Sanitation |
| Operating revenues: | | | |
| Charges for services | \$ 2,191,142 | \$ 2,922,731 | \$ 1,383,181 |
| Operating expenses: | | | |
| Personnel services | 1,478,642 | 1,407,118 | 263,846 |
| General operating | 3,785 | 5,082 | 0 |
| Contractual services | 465,995 | 633,103 | 1,097,724 |
| Materials and supplies | 114,544 | 132,081 | 4,658 |
| Depreciation | 378,621 | 1,104,629 | 76,396 |
| Repairs and maintenance | 4,417 | 8,255 | 0 |
| Non-governmental | 15,145 | 15,067 | 644 |
| Total expenditures | 2,461,149 | 3,305,335 | 1,443,268 |
| Operating income (loss) | (270,007) | (382,604) | (60,087) |
| Non-operating revenues: | | | |
| Interest revenue | 11,212 | 11,992 | 23,660 |
| Capital contributions | 71,189 | 0 | 0 |
| Other | 45,125 | 49,639 | 57,990 |
| Intergovernmental | 0 | 0 | 0 |
| Total Non-operating revenue | 127,526 | 61,631 | 81,650 |
| Non-operating expenses: | | | |
| Interest expense | 0 | 233,083 | 0 |
| Loss on disposal | 0 | 401 | 0 |
| Other | 0 | 597 | 0 |
| Total Non-Operating Expenses | 0 | 234,081 | 0 |
| Income (loss) before operating transfers | (142,481) | (555,054) | 21,563 |
| Transfers | | | |
| Transfers in | 0 | 0 | 0 |
| Total Transfers | 0 | 0 | 0 |
| Net Income (Loss) | (142,481) | (555,054) | 21,563 |
| Net assets, beginning of year | 8,803,362 | 9,530,775 | (237,241) |
| Net assets, end of year | \$ 8,660,881 | \$ 8,975,721 | \$ (215,678) |

Change in net assets-total enterprise funds
 Adjustment to consolidate the Utility Billing Internal Service Fund activities
 Adjustment to consolidate the allocated portion of the City Garage Internal Service Fund activities
 Total change in net assets of business-type activities

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

| Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
|---------------------------|---------------------------|---------------------------|
| \$ 104,479 | \$ 6,601,533 | \$ 511,933 |
| 57,622 | 3,207,228 | 132,751 |
| 37 | 8,904 | 3,896 |
| 244,179 | 2,441,001 | 138,259 |
| 3,644 | 254,927 | 231,652 |
| 6,218 | 1,565,864 | 3,912 |
| 0 | 12,672 | 0 |
| 157,642 | 188,498 | 4,462 |
| <u>469,342</u> | <u>7,679,094</u> | <u>514,932</u> |
| (364,863) | (1,077,561) | (2,999) |
| 18,811 | 65,675 | 0 |
| 0 | 71,189 | 0 |
| 156,361 | 309,115 | 58 |
| <u>128,876</u> | <u>128,876</u> | <u>563</u> |
| <u>304,048</u> | <u>574,855</u> | <u>621</u> |
| 0 | 233,083 | 0 |
| 811 | 1,212 | 0 |
| 0 | 597 | 0 |
| <u>811</u> | <u>234,892</u> | <u>0</u> |
| (61,626) | (737,598) | (2,378) |
| 25,000 | 25,000 | 0 |
| <u>25,000</u> | <u>25,000</u> | <u>0</u> |
| (36,626) | (712,598) | (2,378) |
| <u>1,315,303</u> | <u>19,412,199</u> | <u>55,172</u> |
| <u>\$ 1,278,677</u> | <u>\$ 18,699,601</u> | <u>\$ 52,794</u> |
| | \$ (712,598) | |
| | (18,195) | |
| | 6,877 | |
| | <u>\$ (723,916)</u> | |

CITY OF XENIA, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2003**

| | Business-Type Activities - Enterprise Funds | | | | | Internal Service Funds |
|--|---|-------------|-------------|------------------------------|-------------|---------------------------|
| | Water | Sewer | Sanitation | Other Enterprise Funds | Total | |
| <u>Cash Flows from Operating Activities:</u> | | | | | | |
| Cash Received from Customers | \$2,173,711 | \$2,936,019 | \$1,377,341 | \$156,082 | \$6,643,153 | \$511,957 |
| Cash Payments for Goods and Services | (555,503) | (747,431) | (1,077,377) | (222,331) | (2,602,642) | (372,837) |
| Cash Payments to Employees | (1,488,526) | (1,436,772) | (264,110) | (58,759) | (3,248,167) | (135,478) |
| Net Cash Provided (Used) by Operating Activities | 129,682 | 751,816 | 35,854 | (\$125,008) | 792,344 | \$3,642 |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | | | | |
| Transfers In from Other Funds | 0 | 0 | 0 | 25,000 | 25,000 | 0 |
| Transfers Out to Other Funds | 0 | 0 | 0 | 0 | 0 | (5,140) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 0 | 0 | 0 | 25,000 | 25,000 | (5,140) |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | | | | |
| Intergovernmental Grants | 0 | 0 | 0 | 219,023 | 219,023 | 563 |
| Acquisition and Construction of Assets | (111,953) | (333,419) | (135,138) | 0 | (580,510) | 0 |
| Principal Paid on Loans | 0 | (451,384) | 0 | 0 | (451,384) | 0 |
| Interest Paid on All Debt | 0 | (233,083) | 0 | 0 | (233,083) | 0 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (111,953) | (1,017,886) | (135,138) | 219,023 | (1,045,954) | 563 |
| <u>Cash Flows from Investing Activities:</u> | | | | | | |
| Sale of Investments | 62,033 | 303,513 | 115,115 | 0 | 480,661 | 15,871 |
| Purchase of Investments | 0 | 0 | 0 | (90,374) | (90,374) | (9,972) |
| Receipts of Interest | 66,043 | 71,208 | 28,424 | 21,122 | 186,797 | 0 |
| Net Cash Provided (Used) by Investing Activities | 128,076 | 374,721 | 143,539 | (69,252) | 577,084 | 5,899 |
| Net Increase in Cash and Cash Equivalents | 145,805 | 108,651 | 44,255 | 49,763 | 348,474 | 4,964 |
| Cash and Cash Equivalents at Beginning of Year | 166,922 | 181,981 | 72,218 | 32,005 | 453,126 | 6,531 |
| Cash and Cash Equivalents at End of Year | \$312,727 | \$290,632 | \$116,473 | \$81,768 | \$801,600 | \$11,495 |

(Continued)

CITY OF XENIA, OHIO

| | Business-Type Activities - Enterprise Funds | | | | | Internal Service Funds |
|---|---|-------------|------------|------------------------------|---------------|---------------------------|
| | Water | Sewer | Sanitation | Other Enterprise Funds | Total | |
| Reconciliation of Operating (Loss) to Net Cash | | | | | | |
| Provided (Used) by Operating Activities: | | | | | | |
| Operating (Loss) | (\$270,007) | (\$382,604) | (\$60,087) | (\$364,863) | (\$1,077,561) | (\$2,999) |
| Adjustments to Reconcile Operating (Loss) to | | | | | | |
| Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation Expense | 378,621 | 1,104,629 | 76,396 | 6,218 | 1,565,864 | 3,912 |
| Allowance for Uncollectibles | 1,445 | 1,367 | 644 | 33,767 | 37,223 | 0 |
| Income - Other Nonoperating | 47,436 | 52,246 | 57,953 | 156,271 | 313,906 | 58 |
| Changes in Assets and Liabilities: | | | | | | |
| Increase in Principal Receivable | 0 | 0 | 0 | 37,307 | 37,307 | 0 |
| Decrease in Interest Receivable | 0 | 0 | 0 | 3,673 | 3,673 | 0 |
| Decrease in Accounts Receivable | 0 | 0 | 0 | (135) | (135) | 24 |
| Decrease (Increase) in Utilities Receivable | (17,431) | 13,288 | (5,841) | 0 | (9,984) | 0 |
| Decrease (Increase) in Prepaid Items | (6,971) | (1,894) | 2,899 | (58) | (6,024) | (89) |
| Increase in Inventory | 6,761 | (67) | 0 | 0 | 6,694 | (10,415) |
| Increase (Decrease) in Landfill Liability | | | (38,833) | | | |
| Increase (Decrease) in Accounts Payable | (288) | (5,134) | 2,987 | 3,950 | 1,515 | 15,878 |
| Increase (Decrease) in Accrued Payroll | (9,884) | (30,015) | (264) | (1,138) | (41,301) | (2,727) |
| Total Adjustments | 399,689 | 1,134,420 | 95,941 | 239,855 | 1,869,905 | 6,641 |
| Net Cash Provided (Used) by Operating Activities | \$129,682 | \$751,816 | \$35,854 | (\$125,008) | \$792,344 | \$3,642 |

Schedule of Noncash Investing, Capital and Financing Activities:

During 2003, the Water fund received \$71,189 of capital assets through contributions and the sewer fund received \$12,281 of capital assets through accounts payable.

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

***Statement of Net Assets
Fiduciary Funds
December 31, 2003***

| | <u>Agency Funds</u> |
|---------------------------|---------------------|
| Assets: | |
| Cash and cash equivalents | \$ 220,047 |
| Total Assets | <u>\$ 220,047</u> |
| Liabilities: | |
| Accounts payable | \$ 97,692 |
| Restricted deposits | <u>122,355</u> |
| Total Liabilities | <u>220,047</u> |
| Net Assets | <u>\$ 0</u> |

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

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, 2003 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Xenia Economic Growth Corporation (XEGC) provides loan servicing and economic development services to the business community and to the City of Xenia. XEGC's administrative services are primarily funded by the City of Xenia. The amount of this funding for 2003 was \$174,400. XEGC's board is appointed by the City Council and XEGC is considered legally separate from the City. The City has the ability to impose its will on XEGC by removing XEGC board members and modifying their budget. The City is legally entitled to access XEGC's resources and provides a majority of its funding, making XEGC fiscally dependant on the City. A separately issued audit report containing financial statements is available from XEGC at 181 W. Main Street, Xenia, Ohio 45385.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

Governmental Funds

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Proprietary Funds

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

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

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

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

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

Internal Service Funds - These funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Funds

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

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government and its' discretely presented component unit, except for fiduciary funds. The statements distinguish between those activities of the primary government that are governmental and those that are considered business-type activities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

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 accounting and reporting treatment applied to a fund is determined by its measurement focus.

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

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

Property taxes measurable as of December 31, 2003 but which are not intended to finance 2003 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

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

The adjustments necessary to convert the results of operations for the year ended December 31, 2003 on the GAAP basis to the budget basis are as follows:

| | Excess(Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses | | |
|--|---|---------------------------------|--|
| | General Fund | Municipal Income Tax Fund | State Gas and Vehicle License Fund |
| GAAP Basis (as reported) | \$566,854 | \$49,664 | \$9,474 |
| Increase(Decrease): | | | |
| Accrued Revenues at December 31, 2003 received during 2004 | (\$1,681,040) | (\$661,801) | (\$117,442) |
| Accrued Revenues at December 31, 2002 received during 2003 | \$1,346,253 | \$614,595 | \$99,117 |
| Accrued Expenditures at December 31, 2003 received during 2004 | \$798,754 | \$15,687 | \$55,088 |
| Accrued Expenditures at December 31, 2002 received during 2003 | (\$856,388) | (\$19,151) | (\$56,595) |
| 2002 Prepays for 2003 | \$102,595 | \$996 | \$3,924 |
| 2003 Prepays for 2004 | (\$114,980) | (\$1,726) | (\$4,866) |
| Outstanding Encumbrances | (162,052) | (9,675) | (28,761) |
| Budget Basis | <u>(\$4)</u> | <u>(\$11,411)</u> | <u>(\$40,061)</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, certificates of deposit, U.S. Government Securities, and instrumentalities with a maturity of three months or less when purchased.

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

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. During 2003, the Capital Improvements Fund was allocated approximately \$153,504 of investment earnings in excess of the amount the fund would have received if earnings were based on each fund's share of pooled investments.

The City has invested funds in the STAR Ohio during 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2003. See Note 5, "Cash, Cash Equivalents and Investments."

H. Inventory

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000. Estimated historical costs for capital asset values were initially determined by identifying historical costs when such information was available.

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

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

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

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

| <u>Description</u> | <u>Governmental and Business-Type Activities Estimated Lives (in years)</u> |
|----------------------------|---|
| Land Improvements | 20 – 25 |
| Buildings and Improvements | 20 – 40 |
| Machinery and Equipment | 2 – 25 |
| Infrastructure | 15 – 100 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Pensions

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

O. Interfund Activity

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

P. Reservations of Fund Balance

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

Q. Operating Revenues and Expenses

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Estimates

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

S. Allocation of Indirect Expenses

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

T. Allowance for Uncollectible Accounts

The allowance for uncollectible is determined by looking at the applicable utility or loan balance and looking at the previous year's write-off to determine if an adjustment needs to be made to the allowance balance from the previous year. Allowances are also increased for any known doubtful receivable balance.

NOTE 2 – DEFICIT FUND EQUITY

The fund deficit at December 31, 2003 of \$215,678 in the Sanitation Fund arises from the recognition of expenses on the accrual basis which are greater than expenses recognized on a cash basis. The deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

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

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

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

Capital Assets not reported in funds:

| | |
|--|---------------------|
| Capital Assets used in governmental activities | \$35,288,998 |
| Capital Assets related to City Garage | |
| Internal Service Fund | 11,694 |
| | <u>\$35,300,692</u> |

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

| | |
|-------------------------------|--------------------|
| Delinquent Income Tax Revenue | \$848,400 |
| Shared Revenues | 1,164,575 |
| Special Assessment Revenue | 89,402 |
| Intergovernmental Grants | 24,360 |
| Charges for Services | 304,078 |
| Miscellaneous | 31,311 |
| | <u>\$2,462,126</u> |

Long-Term liabilities not reported in the funds:

| | |
|--|--------------------|
| General Obligation Bonds Payable | \$1,270,000 |
| Accrued Interest on Long-Term Debt | 11,407 |
| Capital Leases Payable | 947,529 |
| Compensated Absences Payable- Government Activities | 1,104,124 |
| Compensated Absences Payable-City Garage Internal Services Fund | 16,680 |
| | <u>\$3,349,740</u> |

Amount of City Garage Internal Service fund applicable to government activities:

| | |
|--|-----------------|
| City Garage Fund Net Assets at year end | \$46,605 |
| City Garage Fund Capital Assets accounted for above | (11,694) |
| City Garage Compensated Absences accounted for above | 16,680 |
| Portion of City Garage Fund allocated to business-type activities | (17,961) |
| | <u>\$33,630</u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

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

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

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

Amount capital outlay exceeded depreciation in the current period:

| | |
|---|--------------------|
| Capital Outlay | \$2,663,250 |
| General Government Expense | (83,894) |
| Public Safety Expense | (25,186) |
| Highways and Streets Expense | (10,921) |
| Recreation Expense | (11,918) |
| Depreciation Expense | (1,101,669) |
| Depreciation Expense-City Garage | (3,701) |
| Capital Contributions received by government activities | 22,500 |
| | <u>\$1,448,461</u> |

Governmental revenues not reported in the funds:

| | |
|---|-------------------|
| Increase in Delinquent Income Tax Revenue | \$109,399 |
| Increase in Shared Revenue | 43,873 |
| Increase in Special Assessment Revenue | 10,135 |
| Decrease in Intergovernmental Grants | (381,603) |
| Increase in Charges for Services | 178,113 |
| Decrease in Miscellaneous Revenues | (12,039) |
| | <u>(\$52,122)</u> |

Expenses not requiring the use of current financial resources:

| | |
|--|--------------|
| Increase in Compensated Absences Payable | (\$5,894) |
| Increase in supplies inventory | 7,208 |
| Increase in Compensated Absences Payable-City Garage | (895) |
| | <u>\$419</u> |

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

| | |
|---|-----------------|
| City Garage Internal Service Fund change in net assets | \$15,817 |
| Garage depreciation | 3,701 |
| Garage changes in compensated absences | 895 |
| Portion of Internal Service fund change in net assets allocated to business type activities | (6,877) |
| | <u>\$13,536</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 4 – RESTATEMENT OF NET ASSETS

A. Prior Period Adjustment

During fiscal year 2002, the City implemented GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”; GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”; GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*”; and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*”

The City implemented the retroactive reporting of infrastructure capital assets during 2003. Streets, storm sewers and bridges built by the City of Xenia in prior periods were added to the net governmental activities asset balance for December 31, 2002. This affected the governmental assets only. Accounting error corrections were made to the primary government and to the XEGC component unit. The correction for the primary government was due to recognizing grant revenue before entitlement. The correction for the component unit was due to recognizing an expense related to accrued liability for severance pay when there was low probability of paying it. The December 31, 2002 net assets and component unit were restated as follows:

Restated Governmental Activities Net Assets

| | |
|--|----------------------------|
| Net Assets, December 31, 2002 | \$19,372,639 |
| Adjustment for Infrastructure Assets added | 21,031,079 |
| Correction of Accounting Error | <u>-450,000</u> |
| Restated Net Assets, December 31, 2002 | <u><u>\$39,953,718</u></u> |

Restated XEGC Net Assets

| | |
|--|-------------------------|
| Net Assets, December 31, 2002 | \$905,834 |
| Correction of Accounting Error | <u>21,701</u> |
| Restated Net Assets, December 31, 2002 | <u><u>\$927,535</u></u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

Deposits:

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

Investments:

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

A. Deposits

At December 31, 2003, the carrying amount of the City and Component Unit cash deposits was \$3,094,254 and \$624,371 respectively and the bank balance was \$3,506,850 and \$724,281 respectively. Of the bank balance, federal depository insurance coverage was \$200,000 for the City and \$100,000 for the Component Unit.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

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

B. Investments

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

The City's investments at December 31, 2003 are summarized below:

| <u>Categorized Investments</u> | <u>Category 2</u> | <u>Fair Value</u> |
|------------------------------------|--------------------|--------------------|
| U.S. Government Securities | <u>\$5,519,610</u> | <u>\$5,519,610</u> |
| Total Categorized Investments | \$5,519,610 | \$5,519,610 |
| <u>Non-Categorized Investments</u> | | |
| Star Ohio | \$0 | \$545 |
| Money Market | <u>0</u> | <u>410,538</u> |
| Total Non-Categorized Investments | \$0 | \$411,083 |
| Total Investments | <u>\$5,519,610</u> | <u>\$5,930,693</u> |

C. Reconciliation of Cash, Cash Equivalents, and Investments

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

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

| | <u>Cash and Cash Equivalents *</u> | <u>Investments *</u> |
|---|--|----------------------|
| Per Combined Balance Sheet | \$2,120,306 | \$7,529,012 |
| Agencies and Treasuries | | |
| (with maturities of less than 3 months) | (137,874) | 137,874 |
| Certificates of Deposit | | |
| (with maturities of more than 3 months) | 2,147,276 | (2,147,276) |
| Non-Categorized Investments | <u>(411,083)</u> | <u>411,083</u> |
| Per GASB Statement No. 3 | <u>\$3,718,625</u> | <u>\$5,930,693</u> |

*Includes XEGC Balances.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 6 - TAXES

A. Property Taxes

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

The property tax calendar is as follows:

| | |
|--------------------------------|-------------------|
| Levy date | January 1, 2002 |
| Lien date | January 1, 2003 |
| Tax bill mailed | January 19, 2003 |
| First installment payment due | February 18, 2003 |
| Second installment payment due | July 23, 2003 |

The assessed values upon which 2003 tax receipts were based, are as follows:

| | Assessed Values January 1, 2002 |
|-------------------|------------------------------------|
| Real Estate | \$302,734,910 |
| Tangible Personal | 40,383,209 |
| Total | <u>\$343,118,119</u> |

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

NOTE 6 - TAXES (Continued)

B. Income Tax

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

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

NOTE 7 – LOANS RECEIVABLE

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

Loans receivable at December 31, 2003 were:

| Loan Type | Loan Fund | Housing Rehabilitation Loan Fund | Xenia Economic Growth Corp. |
|---|--------------|--|-----------------------------------|
| Down payment assistance loans | \$0 | \$23,665 | \$0 |
| Mortgage grants | 97,118 | 140,885 | 0 |
| Rehabilitation loans | 0 | 333,105 | 0 |
| Job development loans | 2,499 | 0 | 0 |
| Economic development loans | 0 | 0 | 170,639 |
| Sub-Total | 99,617 | 497,655 | 170,639 |
| Less: Allowance for uncollectible loans | (2,847) | (353,601) | 0 |
| Total Loans receivable | \$96,770 | \$144,054 | \$170,639 |

Loan Fund - In 1983, the City assumed the assets, liabilities and loan commitments of Xenia Environmental Neighborhood Improvement Association, Inc. (X.E.N.I.A., Inc.). X.E.N.I.A., Inc. provided mortgage grants and low or zero interest loans to encourage economic and neighborhood development. The loans are payable in monthly installments to 2004 and are repaid in full when the homeowner moves or dies. The City no longer issues mortgage grants or loans from this fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 7 – LOANS RECEIVABLE (Continued)

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

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

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

NOTE 8 - TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2003:

| Fund | Transfer In | Transfer Out |
|--|-------------|--------------|
| Governmental Funds: | | |
| General Fund | \$3,900,000 | \$0 |
| Municipal Income Tax Fund | 0 | 4,215,000 |
| State Gas and Vehicle License Tax Fund | 284,000 | 0 |
| Capital Improvements Fund | 0 | 25,000 |
| Nonmajor Governmental Funds | 31,000 | 0 |
| Total Governmental Funds | 4,215,000 | 4,240,000 |
| Proprietary Funds: | | |
| Water Fund | 0 | 0 |
| Nonmajor Enterprise Funds | 25,000 | 0 |
| Total Proprietary Funds | 25,000 | 0 |
| Totals | \$4,240,000 | \$4,240,000 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 9 - INTERFUND TRANSACTIONS

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

The following is a summary of interfund transactions at December 31, 2003:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--|------------------------------------|--------------------------------------|
| Capital Improvements Fund - Capital Projects | \$4,490 | \$0 |
| City Garage Fund - Internal Service | 0 | 4,490 |
| Totals | <u>\$4,490</u> | <u>\$4,490</u> |
| | <u>Advances to Other Funds</u> | <u>Advances from Other Funds</u> |
| Capital Improvements Fund - Capital Projects | \$14,091 | \$0 |
| City Garage Fund - Internal Service | 0 | 14,091 |
| Totals | <u>\$14,091</u> | <u>\$14,091</u> |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2003:

Historical Cost:

| Class | December 31, 2002 | Additions | Deletions | December 31, 2003 |
|--|----------------------|-------------|---------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$14,739,450 | \$0 | \$0 | \$14,739,450 |
| Construction in Progress | \$1,029,296 | \$28,500 | (\$1,029,296) | \$28,500 |
| Capital assets being depreciated: | | | | |
| Land improvements | 1,086,845 | 87,898 | (2,130) | 1,172,613 |
| Buildings and improvements | 5,517,052 | 26,850 | (12,979) | 5,530,923 |
| Machinery and Equipment | 13,476,573 | 1,941,015 | (668,737) | 14,748,851 |
| Infrastructure | 9,485,803 | 1,536,784 | 0 | 11,022,587 |
| Total Cost | \$45,335,019 | \$3,621,047 | (\$1,713,142) | \$47,242,924 |

Accumulated Depreciation:

| Class | December 31, 2002 | Additions | Deletions | December 31, 2003 |
|----------------------------|----------------------|-----------------|-----------|----------------------|
| Land improvements | (\$429,452) | (\$39,955) | \$1,912 | (\$467,495) |
| Buildings and improvements | (1,569,623) | (142,291) | 8,437 | (1,703,477) |
| Machinery and Equipment | (6,077,746) | (646,382) | 444,851 | (6,279,277) |
| Infrastructure | (3,215,241) | (276,742) | 0 | (3,491,983) |
| Total Depreciation | (\$11,292,062) | (\$1,105,370) * | \$455,200 | (\$11,942,232) |
| Net Value: | \$34,042,957 | | | \$35,300,692 |

* Depreciation expenses were charged to governmental functions as follows:

| | |
|---|---------------|
| General Government | (\$226,936) |
| Public Safety | (338,019) |
| Highways and Streets | (454,194) |
| Community Development | (12,950) |
| Recreation | (69,570) |
| Total Depreciation Expense recorded within the Governmental Activities | (1,101,669) |
| Amount of depreciation expense recorded in the Internal Service Fund | (3,701) |
| Total Additions to Accumulated Depreciation | (\$1,105,370) |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

NOTE 10 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2003:

Historical Cost:

| Class | December 31, 2002 | Additions | Deletions | December 31, 2003 |
|--|----------------------|-----------|-------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$424,252 | \$0 | \$0 | \$424,252 |
| Construction in Progress | \$15,112 | \$52,291 | (\$15,112) | 52,291 |
| Capital assets being depreciated: | | | | |
| Land improvements | 374,539 | 7,324 | (4,169) | 377,694 |
| Buildings and improvements | 8,233,646 | 61,864 | (11,500) | 8,284,010 |
| Machinery and Equipment | 35,101,669 | 568,939 | (407,619) | 35,262,989 |
| Total Cost | \$44,149,218 | \$690,418 | (\$438,400) | \$44,401,236 |

Accumulated Depreciation:

| Class | December 31, 2002 | Additions | Deletions | December 31, 2003 |
|----------------------------|----------------------|---------------|-----------|----------------------|
| Land Improvements | (\$221,889) | (\$11,700) | \$3,357 | (\$230,232) |
| Buildings and Improvements | (3,154,248) | (246,277) | 11,500 | (3,389,025) |
| Machinery and Equipment | (17,461,417) | (1,308,098) | 395,893 | (18,373,622) |
| Total Depreciation | (\$20,837,554) | (\$1,566,075) | \$410,750 | (\$21,992,879) |

Net Value:

| | |
|--------------|--------------|
| \$23,311,664 | \$22,408,357 |
|--------------|--------------|

C. Component Unit (XEGC) Capital Assets

Summary by Category at December 31, 2003:

Historical Cost:

| Class | December 31, 2002 | Additions | Deletions | December 31, 2003 |
|--|----------------------|-----------|-----------|----------------------|
| Capital assets being depreciated: | | | | |
| Machinery and Equipment | \$30,865 | \$0 | (\$1,421) | \$29,444 |
| Total Cost | \$30,865 | \$0 | (\$1,421) | \$29,444 |

Accumulated Depreciation:

| Class | December 31, 2002 | Additions | Deletions | December 31, 2003 |
|-------------------------|----------------------|-----------|-----------|----------------------|
| Machinery and Equipment | (\$23,482) | (\$4,273) | \$1,421 | (\$26,334) |
| Total Depreciation | (\$23,482) | (\$4,273) | \$1,421 | (\$26,334) |

Net Value:

| | |
|---------|---------|
| \$7,383 | \$3,110 |
|---------|---------|

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except uniformed police officers and firefighters, participate in OPERS. OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost sharing multiple-employer defined benefit plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earning thereon.
3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for the law enforcement and public safety exist only within the Traditional Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The 2003 member contribution rate is 8.5%. The 2003 employer contribution rate for local government employer units was 13.55%, of covered payroll. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the OPERS for the years ending December 31, 2003, 2002 and 2001 were \$781,767, \$801,954, and \$763,077, respectively, which were equal to the required contributions for each year. The City of Xenia now pays the employer share monthly (effective July 1, 2003). Previously, the employer share was paid quarterly.

The following information was provided by the OPERS to assist the City in complying with GASB Statement No. 12, *“Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers”*.

The OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2003 employer contribution rate for local government employer units was 13.55% of covered payroll of which 5% (\$288,475 for the City of Xenia) was used to fund health care. The Ohio Revised Code provides the statutory authority to require public employers to fund post retirement health care through their contributions to OPERS.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 364,881. The actuarial value of the OPERS net assets available for OPEB at December 31, 2002 is \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

In December, 2001, the OPERS Board adopted the Health Care “Choices” Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired in an OPERS covered-position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-years “cliff” eligibility standard for the present plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The plan will also offer a spending account feature, enabling the benefit recipient to apply his or her allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending “Choices” type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F for the years ending December 31, 2003, 2002 and 2001 were \$490,679, 470,382, and \$459,430 for police and \$609,432, \$647,789 and \$574,129 for firefighters, respectively, which were equal to the required contributions for each year.

The following information was provided by the OP&F to assist the City in complying with GASB Statement No. 12, *“Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers”*.

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

Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board is used to pay retiree health care expenses. The portion of the 2003 covered payroll that was used to fund postemployment health care benefits was \$194,799 representing 7.75% of covered payroll for police and \$196,847 representing 7.75% of covered payroll for fire. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees have monthly health care contributions. As of December 31, 2002, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,527 for police and 10,396 for firefighters. OP&F does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2002 were \$141,028,006, which was net of member contributions of \$12,623,875.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

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

Long-term debt and other long-term obligations of the City at December 31, 2003 were as follows:

| | Balance December 31, 2002 | Additions | (Reductions) | Balance December 31, 2003 | Due Within One Year |
|--|---------------------------------|--------------------|----------------------|---------------------------------|---------------------------|
| Business-Type Activities: | | | | | |
| Loans Payable: | | | | | |
| 3.04% Sewer Loan Payable 1993 | \$1,426,012 | \$0 | (\$140,008) | \$1,286,004 | \$144,297 |
| 2.79% Sewer Loan Payable 1999 | 6,915,582 | 0 | (311,376) | 6,604,206 | 320,127 |
| Total Loans Payable | 8,341,594 | 0 | (451,384) | 7,890,210 | 464,424 |
| Landfill Liability | 1,300,000 | 0 | (38,833) | 1,261,167 | 60,090 |
| Compensated Absences | 378,060 | 386,190 | (378,060) | 386,190 | 60,000 |
| Total Business-Type Long-Term Debt | <u>\$10,019,654</u> | <u>\$386,190</u> | <u>(\$868,277)</u> | <u>\$9,537,567</u> | <u>\$584,514</u> |
| Governmental Activities Long-Term Debt: | | | | | |
| 4.70 - 5.75% | | | | | |
| General Obligation Bond Payable 2000 | \$1,315,000 | \$0 | (\$45,000) | \$1,270,000 | \$50,000 |
| Capital Leases Payable | 216,843 | 902,170 | (171,484) | 947,529 | 140,537 |
| Compensated Absences | 1,114,015 | 1,120,804 | (1,114,015) | 1,120,804 | 130,000 |
| Total Governmental Activities Long-Term Debt | <u>\$2,645,858</u> | <u>\$2,022,974</u> | <u>(\$1,330,499)</u> | <u>\$3,338,333</u> | <u>\$320,537</u> |

In prior years, the liability for compensated absences has been liquidated from the following funds:

| <u>Business Type Activities</u> | <u>Governmental Activities</u> |
|---------------------------------|--------------------------------|
| Water Fund | General Fund |
| Sewer Fund | Municipal Income Tax Fund |
| Sanitation Fund | State Gas & Vehicle Fund |
| Parking Revenue Fund | Law Enforcement Fund |
| Housing Rehabilitation Fund | Municipal Court Victim Fund |
| | Garage Fund |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

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

A. Principal and Interest Requirements

Principal and Interest requirements to retire long-term obligations outstanding at December 31, 2003 are as follows:

| Years | General Obligation Bond | | Sewer Loans Payable | |
|-----------|-------------------------|------------------|---------------------|--------------------|
| | Principal | Interest | Principal | Interest |
| 2004 | \$50,000 | \$69,473 | \$464,421 | \$220,046 |
| 2005 | 50,000 | 66,960 | 477,835 | 206,632 |
| 2006 | 50,000 | 64,422 | 491,637 | 192,830 |
| 2007 | 55,000 | 61,731 | 505,838 | 178,629 |
| 2008 | 60,000 | 58,755 | 520,450 | 164,017 |
| 2009-2013 | 340,000 | 241,487 | 2,463,648 | 594,083 |
| 2014-2018 | 450,000 | 129,375 | 2,233,671 | 277,151 |
| 2019-2020 | 215,000 | 12,506 | 732,710 | 20,537 |
| Totals | <u>\$1,270,000</u> | <u>\$704,709</u> | <u>\$7,890,210</u> | <u>\$1,853,925</u> |

B. General Obligation Bond

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

NOTE 13 - CAPITALIZED LEASES

Under capital leases the City has leases for the City Building Energy Project, a medic unit, ladder truck, and a fire pumper. The cost of the improvements and equipment obtained under capital leases is included in Governmental Activities capital assets. The related liabilities are included in amounts due within one year and amounts due in more than one year within the Governmental Activities liabilities. The original cost of the assets acquired under capital lease was \$1,351,003 and have a book value at December 31, 2003 of \$1,265,605.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2003**

NOTE 13 - CAPITALIZED LEASES (Continued)

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, 2003:

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> |
|--|------------------------------------|
| 2004 | \$171,810 |
| 2005 | 149,463 |
| 2006 | 149,463 |
| 2007 | 149,463 |
| 2008 | 116,303 |
| 2009-2012 | <u>348,278</u> |
| Minimum Lease Payments | 1,084,780 |
| Less amount representing interest at the City's incremental borrowing rate of interest | <u>(137,251)</u> |
| Present value of minimum lease payments | <u><u>\$947,529</u></u> |

The following is a schedule of future minimum rental payments of noncancelable operating leases of more than one year:

| <u>Year Ending December 31, 2003</u> | <u>Amount</u> |
|--------------------------------------|---------------|
| 2004 | \$47,415 |
| 2005 | \$29,206 |
| 2006 | \$13,500 |

The City leases office and machinery equipment and parking lots under operating agreements that expire at various dates through 2004. Payments on operating leases were \$145,741 during 2003.

NOTE 14 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In 1991, the City stopped accepting waste at the City of Xenia Landfill. EPA required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2002, the City determined that it had a \$1,300,000 accrued liability (per GASB 18) for post-closure costs for the closed City landfill. These costs are funded by a component of the city Sanitation rate. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. The landfill liability at December 31, 2003 is \$1,261,167.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2003***

NOTE 15 - RISK MANAGEMENT

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

NOTE 16 - CONTINGENCIES

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

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



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Recreation Special Fund

To account for specific recreation activities funded by fees.

Indigent Driver Alcohol Treatment Fund

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

Law Enforcement and Education Fund

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

State Route Repair Fund

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

City Motor Vehicle License Tax Fund

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

County Motor Vehicle License Tax Fund

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

Special Miscellaneous Improvements Fund

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

Tax Increment Equivalent Fund

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

(Continued)

Special Revenue Funds

Law Enforcement Fund

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

Drug Law Enforcement Fund

To account for drug offenses, fines and bond forfeitures.

Municipal Court Victim Fund

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

Debt Service Fund

Debt Service Fund

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

Capital Projects Funds

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

Municipal Court Capital Improvements Fund

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

Issue II Fund

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

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|----------------------------------|---------------------------------------|---|
| Assets: | | | | |
| Cash and cash equivalents | \$ 160,267 | \$ 6,426 | \$ 80,648 | \$ 247,341 |
| Investments | 717,532 | 30,130 | 324,921 | 1,072,583 |
| Receivables: | | | | |
| Taxes, including interest, penalties and liens | 360,277 | 61,251 | 0 | 421,528 |
| Intergovernmental | 122,888 | 5,249 | 0 | 128,137 |
| Accounts | 7,600 | 0 | 0 | 7,600 |
| Accrued interest | 12,032 | 245 | 4,720 | 16,997 |
| Grants | 86,102 | 0 | 0 | 86,102 |
| Prepaid items | 5,589 | 0 | 13,079 | 18,668 |
| Total Assets | \$ 1,472,287 | \$ 103,301 | \$ 423,368 | \$ 1,998,956 |
| Liabilities: | | | | |
| Accounts payable | \$ 10,547 | \$ 0 | \$ 1,678 | \$ 12,225 |
| Accrued payroll | 11,890 | 0 | 0 | 11,890 |
| Deferred revenue | 535,676 | 66,627 | 2,437 | 604,740 |
| Total Liabilities | 558,113 | 66,627 | 4,115 | 628,855 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | 25,997 | 0 | 6,080 | 32,077 |
| Prepaid items | 5,589 | 0 | 13,079 | 18,668 |
| Debt service | 0 | 36,674 | 0 | 36,674 |
| Unreserved and undesignated in: | | | | |
| Special revenue funds | 882,588 | 0 | 0 | 882,588 |
| Capital projects funds | 0 | 0 | 400,094 | 400,094 |
| Total Fund Balances | 914,174 | 36,674 | 419,253 | 1,370,101 |
| Total Liabilities and Funds Balances | \$ 1,472,287 | \$ 103,301 | \$ 423,368 | \$ 1,998,956 |

CITY OF XENIA, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2003***

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------------|----------------------------------|---------------------------------------|---|
| Revenues: | | | | |
| Other local taxes | \$ 204,933 | \$ 61,905 | \$ 0 | \$ 266,838 |
| State shared taxes and permits | 279,007 | 7,391 | 0 | 286,398 |
| Intergovernmental grants | 133,217 | 0 | 98,149 | 231,366 |
| Fines, costs, forfeitures, licenses and permits | 106,796 | 0 | 155,551 | 262,347 |
| Miscellaneous receipts and reimbursements, including interest | 93,115 | 2,532 | 16,029 | 111,676 |
| Total Revenue | 817,068 | 71,828 | 269,729 | 1,158,625 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 277,158 | 0 | 0 | 277,158 |
| Public safety | 173,960 | 396 | 0 | 174,356 |
| Highways and streets | 114,562 | 734 | 0 | 115,296 |
| Recreation | 10,925 | 0 | 0 | 10,925 |
| Capital outlay | 378,611 | 0 | 186,089 | 564,700 |
| Debt service: | | | | |
| Principal retirement | 14,850 | 30,150 | 0 | 45,000 |
| Interest & fiscal charges | 23,702 | 48,123 | 0 | 71,825 |
| Total Expenditures | 993,768 | 79,403 | 186,089 | 1,259,260 |
| Excess (deficiency) of revenues over expenditures | (176,700) | (7,575) | 83,640 | (100,635) |
| Other financing sources (uses): | | | | |
| Transfers in | 31,000 | 0 | 0 | 31,000 |
| Total other financing sources (uses) | 31,000 | 0 | 0 | 31,000 |
| Net Change in Fund Balance | (145,700) | (7,575) | 83,640 | (69,635) |
| Fund Balances at Beginning of Year | 1,059,874 | 44,249 | 335,613 | 1,439,736 |
| Fund Balances End of Year | \$ 914,174 | \$ 36,674 | \$ 419,253 | \$ 1,370,101 |

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003**

| | Recreation Special | Indigent Driver Alcohol Treatment | Law Enforcement and Education | State Route Repair | City Motor Vehicle License Tax |
|--|-----------------------|---|-------------------------------------|-----------------------|--------------------------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 156 | \$ 57,987 | \$ 8,066 | \$ 7,800 | \$ 14,454 |
| Investments | 730 | 267,297 | 36,568 | 36,577 | 67,776 |
| Receivables: | | | | | |
| Taxes, including interest, penalties and liens | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 32,888 | 90,000 |
| Accounts | 0 | 7,600 | 0 | 0 | 0 |
| Accrued interest | 0 | 4,092 | 581 | 901 | 1,230 |
| Grants | 0 | 0 | 0 | 0 | 0 |
| Prepaid items | 0 | 0 | 0 | 128 | 0 |
| Total Assets | \$ 886 | \$ 336,976 | \$ 45,215 | \$ 78,294 | \$ 173,460 |
| Liabilities: | | | | | |
| Accounts payable | \$ 0 | \$ 0 | \$ 0 | \$ 6,563 | \$ 0 |
| Accrued payroll | 0 | 0 | 0 | 0 | 0 |
| Deferred revenue | 0 | 2,113 | 300 | 23,814 | 67,330 |
| Total Liabilities | 0 | 2,113 | 300 | 30,377 | 67,330 |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 0 | 0 | 4,320 | 0 | 12,691 |
| Prepaid items | 0 | 0 | 0 | 128 | 0 |
| Unreserved and undesignated | 886 | 334,863 | 40,595 | 47,789 | 93,439 |
| Total Fund Balances | 886 | 334,863 | 44,915 | 47,917 | 106,130 |
| Total Liabilities and Funds Balances | \$ 886 | \$ 336,976 | \$ 45,215 | \$ 78,294 | \$ 173,460 |

CITY OF XENIA, OHIO

| County Motor Vehicle License Tax | Special Miscellaneous Improvements | Tax Increment Equivalent | Law Enforcement | Drug Law Enforcement | Municipal Court Victim | Total Nonmajor Special Revenue Funds |
|--|--|-----------------------------|--------------------|-------------------------|---------------------------|--|
| \$ 5,241 | \$ 4,836 | \$ 9,987 | \$ 5,408 | \$ 6,119 | \$ 40,213 | \$ 160,267 |
| 24,576 | 22,674 | 46,827 | 25,360 | 28,694 | 160,453 | 717,532 |
| 195,277 | 0 | 165,000 | 0 | 0 | 0 | 360,277 |
| 0 | 0 | 0 | 0 | 0 | 0 | 122,888 |
| 0 | 0 | 0 | 0 | 0 | 0 | 7,600 |
| 1,417 | 0 | 0 | 780 | 479 | 2,552 | 12,032 |
| 0 | 0 | 0 | 54,783 | 0 | 31,319 | 86,102 |
| 0 | 0 | 0 | 0 | 5,083 | 378 | 5,589 |
| <u>\$ 226,511</u> | <u>\$ 27,510</u> | <u>\$ 221,814</u> | <u>\$ 86,331</u> | <u>\$ 40,375</u> | <u>\$ 234,915</u> | <u>\$ 1,472,287</u> |
| \$ 0 | \$ 0 | \$ 1,450 | \$ 2,479 | \$ 0 | \$ 55 | \$ 10,547 |
| 0 | 0 | 0 | 6,726 | 0 | 5,164 | 11,890 |
| 196,008 | 0 | 165,000 | 55,186 | 247 | 25,678 | 535,676 |
| <u>196,008</u> | <u>0</u> | <u>166,450</u> | <u>64,391</u> | <u>247</u> | <u>30,897</u> | <u>558,113</u> |
| 0 | 425 | 4,119 | 3,486 | 0 | 956 | 25,997 |
| 0 | 0 | 0 | 0 | 5,083 | 378 | 5,589 |
| 30,503 | 27,085 | 51,245 | 18,454 | 35,045 | 202,684 | 882,588 |
| <u>30,503</u> | <u>27,510</u> | <u>55,364</u> | <u>21,940</u> | <u>40,128</u> | <u>204,018</u> | <u>914,174</u> |
| <u>\$ 226,511</u> | <u>\$ 27,510</u> | <u>\$ 221,814</u> | <u>\$ 86,331</u> | <u>\$ 40,375</u> | <u>\$ 234,915</u> | <u>\$ 1,472,287</u> |

CITY OF XENIA, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| | Recreation Special | Indigent Driver Alcohol Treatment | Law Enforcement and Education | State Route Repair | City Motor Vehicle License Tax |
|--|-----------------------|---|-------------------------------------|-----------------------|--------------------------------------|
| Revenues: | | | | | |
| Other local taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| State shared taxes and permits | 0 | 0 | 0 | 61,059 | 175,788 |
| Intergovernmental grants | 0 | 0 | 0 | 0 | 0 |
| Fines, costs, forfeitures, licenses and permits | 0 | 20,626 | 2,914 | 0 | 0 |
| Miscellaneous receipts and reimbursements, including interest | 500 | 14,639 | 3,397 | 2,687 | 6,525 |
| Total Revenue | 500 | 35,265 | 6,311 | 63,746 | 182,313 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 0 | 0 | 0 | 0 | 0 |
| Public safety | 0 | 0 | 3,909 | 0 | 0 |
| Highways and streets | 0 | 0 | 0 | 114,562 | 0 |
| Recreation | 10,925 | 0 | 0 | 0 | 0 |
| Capital outlay | 0 | 0 | 0 | 0 | 147,968 |
| Debt service: | | | | | |
| Principal retirement | 0 | 0 | 0 | 0 | 14,850 |
| Interest & fiscal charges | 0 | 0 | 0 | 0 | 23,702 |
| Total Expenditures | 10,925 | 0 | 3,909 | 114,562 | 186,520 |
| Excess (deficiency) of revenues over expenditures | (10,425) | 35,265 | 2,402 | (50,816) | (4,207) |
| Other financing sources (uses): | | | | | |
| Transfers in | 6,000 | 0 | 0 | 0 | 0 |
| Total other financing sources (uses) | 6,000 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balance | (4,425) | 35,265 | 2,402 | (50,816) | (4,207) |
| Fund Balances at Beginning of Year | 5,311 | 299,598 | 42,513 | 98,733 | 110,337 |
| Fund Balances End of Year | \$ 886 | \$ 334,863 | \$ 44,915 | \$ 47,917 | \$ 106,130 |

CITY OF XENIA, OHIO

| County Motor Vehicle License Tax | Special Miscellaneous Improvements | Tax Increment Equivalent | Law Enforcement | Drug Law Enforcement | Municipal Court Victim | Total Nonmajor Special Revenue Funds |
|--|--|-----------------------------|--------------------|-------------------------|---------------------------|---|
| \$ 0 | \$ 0 | \$ 204,933 | \$ 0 | \$ 0 | \$ 0 | \$ 204,933 |
| 42,160 | 0 | 0 | 0 | 0 | 0 | 279,007 |
| 0 | 0 | 0 | 92,825 | 0 | 40,392 | 133,217 |
| 0 | 0 | 0 | 0 | 1,028 | 82,228 | 106,796 |
| 5,960 | 28,000 | 50 | 20,355 | 1,953 | 9,049 | 93,115 |
| 48,120 | 28,000 | 204,983 | 113,180 | 2,981 | 131,669 | 817,068 |
| 0 | 2,179 | 155,455 | 0 | 0 | 119,524 | 277,158 |
| 0 | 0 | 0 | 170,051 | 0 | 0 | 173,960 |
| 0 | 0 | 0 | 0 | 0 | 0 | 114,562 |
| 0 | 0 | 0 | 0 | 0 | 0 | 10,925 |
| 147,103 | 0 | 61,029 | 19,049 | 0 | 3,462 | 378,611 |
| 0 | 0 | 0 | 0 | 0 | 0 | 14,850 |
| 0 | 0 | 0 | 0 | 0 | 0 | 23,702 |
| 147,103 | 2,179 | 216,484 | 189,100 | 0 | 122,986 | 993,768 |
| (98,983) | 25,821 | (11,501) | (75,920) | 2,981 | 8,683 | (176,700) |
| 0 | 0 | 0 | 25,000 | 0 | 0 | 31,000 |
| 0 | 0 | 0 | 25,000 | 0 | 0 | 31,000 |
| (98,983) | 25,821 | (11,501) | (50,920) | 2,981 | 8,683 | (145,700) |
| 129,486 | 1,689 | 66,865 | 72,860 | 37,147 | 195,335 | 1,059,874 |
| \$ 30,503 | \$ 27,510 | \$ 55,364 | \$ 21,940 | \$ 40,128 | \$ 204,018 | \$ 914,174 |

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003**

| | Municipal Court Capital Improvements | Issue II | Total Nonmajor Capital Projects Funds |
|---|--|---------------|---|
| Assets: | | | |
| Cash and cash equivalents | \$ 80,490 | \$ 158 | \$ 80,648 |
| Investments | 324,182 | 739 | 324,921 |
| Receivables: | | | |
| Accrued interest | 4,720 | 0 | 4,720 |
| Prepaid items | 13,079 | 0 | 13,079 |
| Total Assets | \$ 422,471 | \$ 897 | \$ 423,368 |
| Liabilities: | | | |
| Accounts payable | \$ 1,678 | \$ 0 | \$ 1,678 |
| Deferred revenue | 2,437 | 0 | 2,437 |
| Total Liabilities | 4,115 | 0 | 4,115 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Encumbrances | 6,080 | 0 | 6,080 |
| Prepaid items | 13,079 | 0 | 13,079 |
| Unreserved and undesignated | 399,197 | 897 | 400,094 |
| Total Fund Balances | 418,356 | 897 | 419,253 |
| Total Liabilities and Funds Balances | \$ 422,471 | \$ 897 | \$ 423,368 |

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003**

| | Municipal Court Capital Improvements | Issue II | Total Nonmajor Capital Projects Funds |
|--|--|---------------|---|
| Revenues: | | | |
| Intergovernmental grants | \$ 0 | \$ 98,149 | \$ 98,149 |
| Fines, costs, forfeitures, licenses and permits | 155,551 | 0 | 155,551 |
| Miscellaneous receipts and reimbursements, including interest | 16,029 | 0 | 16,029 |
| Total Revenue | 171,580 | 98,149 | 269,729 |
| Expenditures: | | | |
| Current: | | | |
| Capital outlay | 88,837 | 97,252 | 186,089 |
| Debt service: | | | |
| Total Expenditures | 88,837 | 97,252 | 186,089 |
| Excess (deficiency) of revenues over expenditures | 82,743 | 897 | 83,640 |
| Fund Balances at Beginning of Year | 335,613 | 0 | 335,613 |
| Fund Balances End of Year | \$ 418,356 | \$ 897 | \$ 419,253 |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| Revenues: | | | | |
| Municipal Income Taxes | \$ 3,425,429 | \$ 3,425,429 | \$ 3,235,935 | \$ (189,494) |
| Other Local Taxes | 1,527,908 | 1,527,908 | 1,386,998 | (140,910) |
| State Shared Taxes and Permits | 1,896,485 | 1,807,323 | 1,729,400 | (77,923) |
| Special Assessments | 12,846 | 12,846 | 12,846 | 0 |
| Intergovernmental Grants | 139,723 | 139,723 | 133,494 | (6,229) |
| Charges for Services | 855,404 | 855,404 | 716,560 | (138,844) |
| Fines, Costs, Forfeitures, Licenses and Permits | 1,186,000 | 1,186,000 | 1,043,268 | (142,732) |
| Miscellaneous Receipts and Reimbursements, Including Interest | 1,094,253 | 1,027,633 | 910,420 | (117,213) |
| Total Revenues | <u>10,138,048</u> | <u>9,982,266</u> | <u>9,168,921</u> | <u>(813,345)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| City Council and General Government: | | | | |
| Personnel Services | 26,635 | 27,844 | 27,842 | 2 |
| General Operating Expenses | 35,744 | 25,649 | 16,517 | 9,132 |
| Contractual Services | 49,200 | 58,086 | 51,665 | 6,421 |
| Materials and Supplies | 3,687 | 3,687 | 2,600 | 1,087 |
| Contributions | 145,000 | 145,000 | 134,818 | 10,182 |
| Total City Council and General Government | <u>260,266</u> | <u>260,266</u> | <u>233,442</u> | <u>26,824</u> |
| Municipal Court: | | | | |
| Personnel Services | 1,244,221 | 1,244,221 | 1,148,698 | 95,523 |
| General Operating Expenses | 17,989 | 15,002 | 10,424 | 4,578 |
| Contractual Services | 114,566 | 113,162 | 112,532 | 630 |
| Materials and Supplies | 23,126 | 27,517 | 26,626 | 891 |
| Contributions | 73,520 | 73,520 | 65,702 | 7,818 |
| Total Municipal Court | <u>1,473,422</u> | <u>1,473,422</u> | <u>1,363,982</u> | <u>109,440</u> |
| City Law Department: | | | | |
| Personnel Services | 121,263 | 140,330 | 133,426 | 6,904 |
| General Operating Expenses | 5,105 | 2,779 | 2,446 | 333 |
| Contractual Services | 11,242 | 10,434 | 8,852 | 1,582 |
| Materials and Supplies | 15,000 | 12,934 | 11,438 | 1,496 |
| Total City Law Department | <u>152,610</u> | <u>166,477</u> | <u>156,162</u> | <u>10,315</u> |

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|------------------------|---------------------|---------------|---|
| City Manager's Office: | | | | |
| Personnel Services | 98,096 | 98,096 | 95,075 | 3,021 |
| General Operating Expenses | 6,150 | 5,550 | 3,585 | 1,965 |
| Contractual Services | 23,390 | 23,193 | 20,458 | 2,735 |
| Materials and Supplies | 4,310 | 5,107 | 4,361 | 746 |
| Total City Manager's Office | 131,946 | 131,946 | 123,479 | 8,467 |
| Personnel Office: | | | | |
| Personnel Services | 36,266 | 36,266 | 32,825 | 3,441 |
| General Operating Expenses | 5,070 | 4,909 | 2,767 | 2,142 |
| Contractual Services | 54,174 | 54,325 | 51,099 | 3,226 |
| Materials and Supplies | 16,365 | 16,375 | 10,597 | 5,778 |
| Total Personnel Office | 111,875 | 111,875 | 97,288 | 14,587 |
| Finance Office: | | | | |
| Personnel Services | 72,800 | 72,800 | 64,152 | 8,648 |
| General Operating Expenses | 2,823 | 559 | 559 | 0 |
| Contractual Services | 51,553 | 53,685 | 47,159 | 6,526 |
| Materials and Supplies | 5,643 | 5,775 | 5,422 | 353 |
| Total Finance Office | 132,819 | 132,819 | 117,292 | 15,527 |
| Municipal Building and General Services: | | | | |
| Contractual Services | 149,158 | 146,920 | 137,041 | 9,879 |
| Materials and Supplies | 3,060 | 5,298 | 4,563 | 735 |
| Total Municipal Building and General Services | 152,218 | 152,218 | 141,604 | 10,614 |
| Data Processing: | | | | |
| Personnel Services | 28,655 | 28,655 | 25,773 | 2,882 |
| General Operating Expenses | 5,500 | 744 | 743 | 1 |
| Contractual Services | 43,217 | 45,782 | 43,829 | 1,953 |
| Materials and Supplies | 22,500 | 24,691 | 24,317 | 374 |
| Total Data Processing | 99,872 | 99,872 | 94,662 | 5,210 |
| Clerk of City Council: | | | | |
| Personnel Services | 21,602 | 21,602 | 17,948 | 3,654 |
| General Operating Expenses | 527 | 527 | 165 | 362 |
| Contractual Services | 39,379 | 39,379 | 25,829 | 13,550 |
| Materials and Supplies | 3,190 | 3,190 | 2,193 | 997 |
| Total Clerk of City Council | 64,698 | 64,698 | 46,135 | 18,563 |

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------------|---------------------|------------------|---|
| Volunteer Program: | | | | |
| General Operating Expenses | 1,075 | 1,385 | 1,083 | 302 |
| Contractual Services | 1,050 | 640 | 254 | 386 |
| Materials and Supplies | 1,450 | 1,550 | 1,187 | 363 |
| Total Volunteer Program | <u>3,575</u> | <u>3,575</u> | <u>2,524</u> | <u>1,051</u> |
| Public Affairs & CATV: | | | | |
| General Operating Expenses | 1,300 | 145 | 0 | 145 |
| Contractual Services | 36,000 | 18,279 | 17,978 | 301 |
| Materials and Supplies | 2,400 | 21,276 | 12,313 | 8,963 |
| Total Public Affairs & CATV | <u>39,700</u> | <u>39,700</u> | <u>30,291</u> | <u>9,409</u> |
| Total General Government | <u>2,623,001</u> | <u>2,636,868</u> | <u>2,406,861</u> | <u>230,007</u> |
| Violence Against Women Grant: | | | | |
| Personnel Services | 85,319 | 85,319 | 85,316 | 3 |
| Contractual Services | 4,800 | 4,800 | 2,250 | 2,550 |
| Total Violence Against Women Grant | <u>90,119</u> | <u>90,119</u> | <u>87,566</u> | <u>2,553</u> |
| Police: | | | | |
| Personnel Services | 3,984,262 | 3,984,262 | 3,658,190 | 326,072 |
| General Operating Expenses | 164,700 | 133,050 | 91,803 | 41,247 |
| Contractual Services | 320,119 | 330,919 | 286,734 | 44,185 |
| Materials and Supplies | 93,875 | 114,725 | 101,558 | 13,167 |
| Total Police | <u>4,562,956</u> | <u>4,562,956</u> | <u>4,138,285</u> | <u>424,671</u> |
| Communications: | | | | |
| Personnel Services | 994,286 | 994,286 | 943,179 | 51,107 |
| General Operating Expenses | 5,625 | 5,625 | 1,787 | 3,838 |
| Contractual Services | 151,851 | 146,454 | 125,916 | 20,538 |
| Materials and Supplies | 29,155 | 33,630 | 22,587 | 11,043 |
| Capital Outlay | 15,095 | 16,017 | 16,017 | 0 |
| Total Communications | <u>1,196,012</u> | <u>1,196,012</u> | <u>1,109,486</u> | <u>86,526</u> |
| Fire: | | | | |
| Personnel Services | 3,648,891 | 3,648,891 | 3,612,604 | 36,287 |
| General Operating Expenses | 55,019 | 35,236 | 22,508 | 12,728 |
| Contractual Services | 306,084 | 333,690 | 312,317 | 21,373 |
| Materials and Supplies | 95,734 | 117,432 | 109,650 | 7,782 |
| Total Fire | <u>4,105,728</u> | <u>4,135,249</u> | <u>4,057,079</u> | <u>78,170</u> |

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|-------------------------------|------------------------|---------------------|------------------|---|
| Civil Defense: | | | | |
| Contractual Services | 7,589 | 7,765 | 7,411 | 354 |
| Materials and Supplies | 250 | 74 | 0 | 74 |
| Total Civil Defense | <u>7,839</u> | <u>7,839</u> | <u>7,411</u> | <u>428</u> |
| Engineering: | | | | |
| Personnel Services | 92,587 | 92,587 | 87,960 | 4,627 |
| General Operating Expenses | 2,020 | 843 | 724 | 119 |
| Contractual Services | 23,012 | 33,335 | 27,204 | 6,131 |
| Materials and Supplies | <u>7,850</u> | <u>7,004</u> | <u>3,250</u> | <u>3,754</u> |
| Total Engineering | <u>125,469</u> | <u>133,769</u> | <u>119,138</u> | <u>14,631</u> |
| Construction Inspection: | | | | |
| Personnel Services | 33,080 | 36,150 | 35,962 | 188 |
| General Operating Expenses | 1,655 | 307 | 15 | 292 |
| Contractual Services | 14,796 | 13,720 | 12,624 | 1,096 |
| Materials and Supplies | <u>3,794</u> | <u>3,148</u> | <u>1,144</u> | <u>2,004</u> |
| Total Construction Inspection | <u>53,325</u> | <u>53,325</u> | <u>49,745</u> | <u>3,580</u> |
| Total Public Safety | <u>10,141,448</u> | <u>10,179,269</u> | <u>9,568,710</u> | <u>610,559</u> |
| Property Maintenance: | | | | |
| Personnel Services | 25,900 | 25,900 | 23,069 | 2,831 |
| General Operating Expenses | 920 | 648 | 165 | 483 |
| Contractual Services | 46,928 | 47,935 | 46,302 | 1,633 |
| Materials and Supplies | <u>4,296</u> | <u>3,561</u> | <u>1,688</u> | <u>1,873</u> |
| Total Property Maintenance | <u>78,044</u> | <u>78,044</u> | <u>71,224</u> | <u>6,820</u> |
| Total Health | <u>78,044</u> | <u>78,044</u> | <u>71,224</u> | <u>6,820</u> |
| Highways and Streets: | | | | |
| Street Lighting: | | | | |
| Contractual Services | <u>282,075</u> | <u>282,075</u> | <u>251,354</u> | <u>30,721</u> |
| Total Highways and Streets | <u>282,075</u> | <u>282,075</u> | <u>251,354</u> | <u>30,721</u> |

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|------------------------|---------------------|---------------|---|
| Community Development: | | | | |
| Neighborhood Services: | | | | |
| Personnel Services | 122,492 | 122,948 | 122,938 | 10 |
| General Operating Expenses | 2,130 | 1,835 | 933 | 902 |
| Contractual Services | 10,218 | 10,958 | 9,290 | 1,668 |
| Materials and Supplies | 5,318 | 4,417 | 2,354 | 2,063 |
| Total Neighborhood Services | 140,158 | 140,158 | 135,515 | 4,643 |
| Planning: | | | | |
| Personnel Services | 145,506 | 145,506 | 138,251 | 7,255 |
| General Operating Expenses | 5,719 | 5,484 | 2,005 | 3,479 |
| Contractual Services | 25,039 | 25,412 | 22,885 | 2,527 |
| Materials and Supplies | 4,347 | 4,209 | 1,747 | 2,462 |
| Total Planning | 180,611 | 180,611 | 164,888 | 15,723 |
| Total Community Development | 320,769 | 320,769 | 300,403 | 20,366 |
| Recreation: | | | | |
| Parks and Recreation: | | | | |
| Personnel Services | 99,360 | 99,360 | 95,314 | 4,046 |
| General Operating Expenses | 0 | 2,628 | 987 | 1,641 |
| Contractual Services | 50,640 | 38,979 | 24,610 | 14,369 |
| Materials and Supplies | 0 | 9,033 | 5,097 | 3,936 |
| Total Parks and Recreation | 150,000 | 150,000 | 126,008 | 23,992 |
| Xenia Station: | | | | |
| Personnel Services | 116,125 | 116,125 | 116,124 | 1 |
| General Operating Expenses | 15 | 14 | 0 | 14 |
| Contractual Services | 15,398 | 16,613 | 15,378 | 1,235 |
| Materials and Supplies | 12,350 | 11,136 | 8,158 | 2,978 |
| Total Xenia Station | 143,888 | 143,888 | 139,660 | 4,228 |

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|-------------------|---|
| General Park Maintenance: | | | | |
| Personnel Services | 128,520 | 128,520 | 128,507 | 13 |
| General Operating Expenses | 0 | 30 | 0 | 30 |
| Contractual Services | 58,908 | 56,695 | 53,468 | 3,227 |
| Materials and Supplies | 20,886 | 23,069 | 22,730 | 339 |
| Total General Park Maintenance | <u>208,314</u> | <u>208,314</u> | <u>204,705</u> | <u>3,609</u> |
| Total Recreation | <u>502,202</u> | <u>502,202</u> | <u>470,373</u> | <u>31,829</u> |
| Total Expenditures | <u>13,947,539</u> | <u>13,999,227</u> | <u>13,068,925</u> | <u>930,302</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,809,491) | (4,016,961) | (3,900,004) | 116,957 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>4,500,000</u> | <u>4,500,000</u> | <u>3,900,000</u> | <u>(600,000)</u> |
| Total Other Financing Sources (Uses) | <u>4,500,000</u> | <u>4,500,000</u> | <u>3,900,000</u> | <u>(600,000)</u> |
| Net Change in Fund Balance | 690,509 | 483,039 | (4) | (483,043) |
| Fund Balance at Beginning of Year | 135,327 | 135,327 | 135,327 | 0 |
| Encumbrances | <u>0</u> | <u>0</u> | <u>162,052</u> | <u>(162,052)</u> |
| Fund Balance at End of Year | <u>\$ 825,836</u> | <u>\$ 618,366</u> | <u>\$ 297,375</u> | <u>\$ (320,991)</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Special Revenue
For the Year Ended December 31, 2003**

| | MUNICIPAL INCOME TAX | | | Variance with Final Budget Positive Negative |
|--|----------------------|---------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | (Negative) |
| Revenues: | | | | |
| Municipal Income Taxes | \$ 4,723,674 | \$ 4,723,674 | \$ 4,540,011 | \$ (183,663) |
| Miscellaneous Receipts and Reimbursements, Including Interest | 1,140 | 1,140 | 108 | (1,032) |
| Total Revenues | <u>4,724,814</u> | <u>4,724,814</u> | <u>4,540,119</u> | <u>(184,695)</u> |
| Expenditures: | | | | |
| General Government - Current: | | | | |
| Personnel Services | 306,296 | 306,296 | 277,016 | 29,280 |
| General Operating | 3,960 | 5,460 | 4,019 | 1,441 |
| Contractual Services | 58,180 | 56,280 | 44,452 | 11,828 |
| Materials and Supplies | 19,365 | 19,765 | 11,043 | 8,722 |
| Total Expenditures | <u>387,801</u> | <u>387,801</u> | <u>336,530</u> | <u>51,271</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,337,013 | 4,337,013 | 4,203,589 | (133,424) |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (4,922,500) | (4,966,100) | (4,215,000) | 751,100 |
| Total Other Financing Sources (Uses) | <u>(4,922,500)</u> | <u>(4,966,100)</u> | <u>(4,215,000)</u> | <u>751,100</u> |
| Net Change in Fund Balance | (585,487) | (629,087) | (11,411) | 617,676 |
| Fund Balance at Beginning of Year | 1,972,208 | 1,972,208 | 1,972,208 | 0 |
| Encumbrances | 0 | 0 | 9,675 | (9,675) |
| Fund Balance at End of Year | <u>\$ 1,386,721</u> | <u>\$ 1,343,121</u> | <u>\$ 1,970,472</u> | <u>\$ 627,351</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Special Revenue
For the Year Ended December 31, 2003**

| | STATE GAS AND VEHICLE LICENSE | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| State Shared Taxes and Permits | \$ 670,000 | \$ 670,000 | \$ 733,512 | \$ 63,512 |
| Intergovernmental Grants | 0 | 44,000 | 44,026 | 26 |
| Charges for Services | 1,000 | 1,000 | 1,500 | 500 |
| Miscellaneous Receipts and Reimbursements, Including Interest | 6,731 | 6,331 | 2,958 | (3,373) |
| Total Revenues | <u>677,731</u> | <u>721,331</u> | <u>781,996</u> | <u>60,665</u> |
| Expenditures: | | | | |
| Highways and Streets - Current: | | | | |
| Personnel Services | 840,717 | 840,717 | 805,679 | 35,038 |
| General Operating | 100 | 379 | 199 | 180 |
| Contractual Services | 121,664 | 169,472 | 149,094 | 20,378 |
| Materials and Supplies | 114,147 | 153,660 | 151,085 | 2,575 |
| Total Expenditures | <u>1,076,628</u> | <u>1,164,228</u> | <u>1,106,057</u> | <u>58,171</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (398,897) | (442,897) | (324,061) | 118,836 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 380,000 | 423,600 | 284,000 | (139,600) |
| Total Other Financing Sources (Uses) | <u>380,000</u> | <u>423,600</u> | <u>284,000</u> | <u>(139,600)</u> |
| Net Change in Fund Balance | (18,897) | (19,297) | (40,061) | (20,764) |
| Fund Balance at Beginning of Year | 20,527 | 20,527 | 20,527 | 0 |
| Encumbrances | 0 | 0 | 28,761 | (28,761) |
| Fund Balance at End of Year | <u>\$ 1,630</u> | <u>\$ 1,230</u> | <u>\$ 9,227</u> | <u>\$ 7,997</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Capital Projects
For the Year Ended December 31, 2003***

| | CAPITAL IMPROVEMENTS FUND | | | Variance with Final Budget Positive Negative |
|---|---------------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | (Negative) |
| Revenues: | | | | |
| Other Local Taxes | \$ 50,000 | \$ 50,000 | \$ 41,152 | \$ (8,848) |
| Special Assessments | 0 | 0 | 52 | 52 |
| Intergovernmental Grants | 1,165,321 | 1,165,321 | 690,008 | (475,313) |
| Charges for Services | 205,000 | 205,000 | 46,729 | (158,271) |
| Miscellaneous Receipts and Reimbursements Including Interest | 341,948 | 341,948 | 255,880 | (86,068) |
| Total Revenues | <u>1,762,269</u> | <u>1,762,269</u> | <u>1,033,821</u> | <u>(728,448)</u> |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 739,593 | 758,614 | 584,136 | 174,478 |
| Materials and Supplies | 35,341 | 32,773 | 17,338 | 15,435 |
| Capital Improvements | 3,919,597 | 3,958,335 | 1,784,496 | 2,173,839 |
| Debt Service: | | | | |
| Principal Retirement | 198,832 | 218,032 | 171,484 | 46,548 |
| Interest and Fiscal Charges | 146,831 | 127,631 | 22,672 | 104,959 |
| Total Expenditures | <u>5,040,194</u> | <u>5,095,385</u> | <u>2,580,126</u> | <u>2,515,259</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,277,925) | (3,333,116) | (1,546,305) | 1,786,811 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Capital Lease | 955,600 | 955,600 | 902,170 | (53,430) |
| Proceeds from General Obligation Bonds | 1,500,000 | 1,500,000 | 0 | (1,500,000) |
| Transfers In | 5,140 | 5,140 | 5,140 | 0 |
| Transfers Out | (25,000) | (25,000) | (25,000) | 0 |
| Total Other Financing Sources (Uses) | <u>2,435,740</u> | <u>2,435,740</u> | <u>882,310</u> | <u>(1,553,430)</u> |
| Net Change in Fund Balance | (842,185) | (897,376) | (663,995) | 233,381 |
| Fund Balance at Beginning of Year | 1,234,493 | 1,234,493 | 1,234,493 | 0 |
| Encumbrances | 0 | 0 | 68,312 | (68,312) |
| Fund Balance at End of Year | <u>\$ 392,308</u> | <u>\$ 337,117</u> | <u>\$ 638,810</u> | <u>\$ 301,693</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|---------------|---|
| RECREATION SPECIAL | | | | |
| Revenues: | | | | |
| Miscellaneous Receipts and Reimbursements, Including Interest | 13,000 | 3,000 | 500 | (2,500) |
| Total Revenues | <u>13,000</u> | <u>3,000</u> | <u>500</u> | <u>(2,500)</u> |
| Expenditures: | | | | |
| Recreation - Current: | | | | |
| Contractual Services | 22,895 | 22,895 | 10,925 | 11,970 |
| Materials and Supplies | 750 | 750 | 0 | 750 |
| Total Expenditures | <u>23,645</u> | <u>23,645</u> | <u>10,925</u> | <u>12,720</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (10,645) | (20,645) | (10,425) | 10,220 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>17,500</u> | <u>17,500</u> | <u>6,000</u> | <u>(11,500)</u> |
| Total Other Financing Sources (Uses) | <u>17,500</u> | <u>17,500</u> | <u>6,000</u> | <u>(11,500)</u> |
| Net Change in Fund Balance | 6,855 | (3,145) | (4,425) | (1,280) |
| Fund Balance at Beginning of Year | <u>5,311</u> | <u>5,311</u> | <u>5,311</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 12,166</u> | <u>\$ 2,166</u> | <u>\$ 886</u> | <u>\$ (1,280)</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|-------------------|---|
| Revenues: | | | | |
| Fines, Costs, Forfeitures, Licenses and Permits | \$ 24,400 | \$ 24,400 | \$ 22,041 | \$ (2,359) |
| Miscellaneous Receipts and Reimbursements, Including Interest | 11,000 | 11,000 | 16,101 | 5,101 |
| Total Revenues | <u>35,400</u> | <u>35,400</u> | <u>38,142</u> | <u>2,742</u> |
| Expenditures: | | | | |
| Public Safety - Current: | | | | |
| Contractual Services | <u>25,000</u> | <u>25,000</u> | <u>0</u> | <u>25,000</u> |
| Total Expenditures | <u>25,000</u> | <u>25,000</u> | <u>0</u> | <u>25,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 10,400 | 10,400 | 38,142 | 27,742 |
| Fund Balance at Beginning of Year | <u>286,160</u> | <u>286,160</u> | <u>286,160</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 296,560</u> | <u>\$ 296,560</u> | <u>\$ 324,302</u> | <u>\$ 27,742</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003**

| | LAW ENFORCEMENT AND EDUCATION | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Fines, Costs, Forfeitures, Licenses and Permits | \$ 5,000 | \$ 5,000 | \$ 2,836 | \$ (2,164) |
| Miscellaneous Receipts and Reimbursements, Including Interest | 2,000 | 2,000 | 3,649 | 1,649 |
| Total Revenues | <u>7,000</u> | <u>7,000</u> | <u>6,485</u> | <u>(515)</u> |
| Expenditures: | | | | |
| Public Safety - Current: | | | | |
| Contractual Services | 10,350 | 9,600 | 2,865 | 6,735 |
| Materials and Supplies | 7,600 | 8,350 | 5,889 | 2,461 |
| Capital Outlay | 6,000 | 6,000 | 0 | 6,000 |
| Total Expenditures | <u>23,950</u> | <u>23,950</u> | <u>8,754</u> | <u>15,196</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (16,950) | (16,950) | (2,269) | 14,681 |
| Fund Balance at Beginning of Year | 42,316 | 42,316 | 42,316 | 0 |
| Encumbrances | 0 | 0 | 4,320 | (4,320) |
| Fund Balance at End of Year | <u>\$ 25,366</u> | <u>\$ 25,366</u> | <u>\$ 44,367</u> | <u>\$ 19,001</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| Revenues: | | | | |
| State Shared Taxes and Permits | \$ 56,975 | \$ 56,975 | \$ 59,474 | \$ 2,499 |
| Miscellaneous Receipts and Reimbursements, Including Interest | 5,000 | 5,000 | 3,326 | (1,674) |
| Total Revenues | <u>61,975</u> | <u>61,975</u> | <u>62,800</u> | <u>825</u> |
| Expenditures: | | | | |
| Highways and Streets - Current: | | | | |
| Contractual Services | 77,906 | 83,682 | 83,187 | 495 |
| Materials and Supplies | <u>35,890</u> | <u>30,114</u> | <u>29,690</u> | <u>424</u> |
| Total Expenditures | <u>113,796</u> | <u>113,796</u> | <u>112,877</u> | <u>919</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (51,821) | (51,821) | (50,077) | 1,744 |
| Fund Balance at Beginning of Year | 90,195 | 90,195 | 90,195 | 0 |
| Encumbrances | <u>0</u> | <u>0</u> | <u>4,259</u> | <u>(4,259)</u> |
| Fund Balance at End of Year | <u>\$ 38,374</u> | <u>\$ 38,374</u> | <u>\$ 44,377</u> | <u>\$ 6,003</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| Revenues: | | | | |
| State Shared Taxes and Permits | \$ 180,000 | \$ 180,000 | \$ 178,790 | \$ (1,210) |
| Miscellaneous Receipts and Reimbursements, including Interest | 7,000 | 7,000 | 7,072 | 72 |
| Total Revenues | <u>187,000</u> | <u>187,000</u> | <u>185,862</u> | <u>(1,138)</u> |
| Expenditures: | | | | |
| Highways and Streets - Current: | | | | |
| Contractual Services | 198,548 | 18,548 | 18,448 | 100 |
| Capital Outlay | 0 | 180,000 | 160,658 | 19,342 |
| Debt Service: | | | | |
| Principal Retirement | 14,850 | 14,850 | 14,850 | 0 |
| Interest and Fiscal Charges | <u>23,703</u> | <u>23,703</u> | <u>23,702</u> | <u>1</u> |
| Total Expenditures | <u>237,101</u> | <u>237,101</u> | <u>217,658</u> | <u>19,443</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (50,101) | (50,101) | (31,796) | 18,305 |
| Fund Balance at Beginning of Year | 101,336 | 101,336 | 101,336 | 0 |
| Encumbrances | <u>0</u> | <u>0</u> | <u>12,690</u> | <u>(12,690)</u> |
| Fund Balance at End of Year | <u>\$ 51,235</u> | <u>\$ 51,235</u> | <u>\$ 82,230</u> | <u>\$ 30,995</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|------------------|------------------|---|
| Revenues: | | | | |
| State Shared Taxes and Permits | \$ 160,000 | \$ 45,000 | \$ 42,160 | \$ (2,840) |
| Miscellaneous Receipt and Reimbursements, Including Interest | 7,000 | 7,000 | 7,889 | 889 |
| Total Revenues | <u>167,000</u> | <u>52,000</u> | <u>50,049</u> | <u>(1,951)</u> |
| Expenditures: | | | | |
| Highways and Streets - Current: Capital Outlay | <u>160,000</u> | <u>202,160</u> | <u>201,780</u> | <u>380</u> |
| Total Expenditures | <u>160,000</u> | <u>202,160</u> | <u>201,780</u> | <u>380</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 7,000 | (150,160) | (151,731) | (1,571) |
| Fund Balance at Beginning of Year | <u>181,548</u> | <u>181,548</u> | <u>181,548</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 188,548</u> | <u>\$ 31,388</u> | <u>\$ 29,817</u> | <u>\$ (1,571)</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

SPECIAL MISCELLANEOUS IMPROVEMENTS

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| Revenues: | | | | |
| Miscellaneous Receipts and Reimbursements, | | | | |
| Including Interest | <u>\$ 28,000</u> | <u>\$ 28,000</u> | <u>\$ 28,000</u> | <u>\$ 0</u> |
| Total Revenues | <u>28,000</u> | <u>28,000</u> | <u>28,000</u> | <u>0</u> |
| Expenditures: | | | | |
| General Government - Current: | | | | |
| Contractual Services | 670 | 0 | 0 | 0 |
| Materials and Supplies | <u>2,000</u> | <u>2,670</u> | <u>2,604</u> | <u>66</u> |
| Total Expenditures | <u>2,670</u> | <u>2,670</u> | <u>2,604</u> | <u>66</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 25,330 | 25,330 | 25,396 | 66 |
| Fund Balance at Beginning of Year | 1,689 | 1,689 | 1,689 | 0 |
| Encumbrances | <u>0</u> | <u>0</u> | <u>425</u> | <u>(425)</u> |
| Fund Balance at End of Year | <u>\$ 27,019</u> | <u>\$ 27,019</u> | <u>\$ 27,510</u> | <u>\$ 491</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| TAX INCREMENT EQUIVALENT | | | | Variance with Final Budget Positive (Negative) |
|--|-----------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Other Local Taxes | \$ 160,000 | \$ 204,000 | \$ 204,933 | \$ 933 |
| Miscellaneous Receipts and Reimbursements, Including Interest | 0 | 0 | 50 | 50 |
| Total Revenues | <u>160,000</u> | <u>204,000</u> | <u>204,983</u> | <u>983</u> |
| Expenditures: | | | | |
| General Government - Current: | | | | |
| Contractual Services | 4,000 | 4,000 | 4,000 | 0 |
| Materials and Supplies | 5,000 | 5,000 | 5,000 | 0 |
| Non-governmental | 147,000 | 147,000 | 147,000 | 0 |
| Capital Outlay | <u>87,630</u> | <u>87,630</u> | <u>82,488</u> | <u>5,142</u> |
| Total Expenditures | <u>243,630</u> | <u>243,630</u> | <u>238,488</u> | <u>5,142</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (83,630) | (39,630) | (33,505) | 6,125 |
| Fund Balance at Beginning of Year | 84,750 | 84,750 | 84,750 | 0 |
| Encumbrances | <u>0</u> | <u>0</u> | <u>5,569</u> | <u>(5,569)</u> |
| Fund Balance at End of Year | <u>\$ 1,120</u> | <u>\$ 45,120</u> | <u>\$ 56,814</u> | <u>\$ 11,694</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| LAW ENFORCEMENT | | | | |
|--|------------------------|---------------------|------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Grants | \$ 121,500 | \$ 114,690 | \$ 92,825 | \$ (21,865) |
| Miscellaneous Receipts and Reimbursements, Including Interest | 12,276 | 12,040 | 20,492 | 8,452 |
| Total Revenues | <u>133,776</u> | <u>126,730</u> | <u>113,317</u> | <u>(13,413)</u> |
| Expenditures: | | | | |
| Public Safety - Current: | | | | |
| Personnel Services | 142,791 | 142,791 | 136,651 | 6,140 |
| General Operating | 6,784 | 6,784 | 2,843 | 3,941 |
| Contractual Services | 18,969 | 19,189 | 6,046 | 13,143 |
| Materials and Supplies | 41,356 | 41,136 | 30,935 | 10,201 |
| Capital Outlay | <u>24,994</u> | <u>24,994</u> | <u>20,299</u> | <u>4,695</u> |
| Total Expenditures | <u>234,894</u> | <u>234,894</u> | <u>196,774</u> | <u>38,120</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (101,118) | (108,164) | (83,457) | 24,707 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>0</u> |
| Net Change in Fund Balance | (76,118) | (83,164) | (58,457) | 24,707 |
| Fund Balance at Beginning of Year | 85,581 | 85,581 | 85,581 | 0 |
| Encumbrances | <u>0</u> | <u>0</u> | <u>3,644</u> | <u>(3,644)</u> |
| Fund Balance at End of Year | <u>\$ 9,463</u> | <u>\$ 2,417</u> | <u>\$ 30,768</u> | <u>\$ 28,351</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| DRUG LAW ENFORCEMENT | | | | |
| Revenues: | | | | |
| Fines, Costs, Forfeitures, Licenses and Permits | \$ 0 | \$ 0 | \$ 1,028 | \$ 1,028 |
| Miscellaneous Receipts and Reimbursements, Including Interest | <u>1,700</u> | <u>1,900</u> | <u>2,160</u> | <u>260</u> |
| Total Revenues | <u>1,700</u> | <u>1,900</u> | <u>3,188</u> | <u>1,288</u> |
| Expenditures: | | | | |
| Public Safety - Current: | | | | |
| General Operating | 1,400 | 1,400 | 0 | 1,400 |
| Contractual Services | 9,500 | 9,500 | 5,083 | 4,417 |
| Materials and Supplies | 6,300 | 6,300 | 0 | 6,300 |
| Capital Outlay | <u>5,000</u> | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| Total Expenditures | <u>22,200</u> | <u>22,200</u> | <u>5,083</u> | <u>17,117</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (20,500) | (20,300) | (1,895) | 18,405 |
| Fund Balance at Beginning of Year | <u>36,708</u> | <u>36,708</u> | <u>36,708</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 16,208</u> | <u>\$ 16,408</u> | <u>\$ 34,813</u> | <u>\$ 18,405</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| MUNICIPAL COURT VICTIM | | | | |
| Revenues: | | | | |
| Intergovernmental Grants | \$ 42,000 | \$ 36,000 | \$ 40,393 | \$ 4,393 |
| Fines, Costs, Forfeitures, Licenses and Permits | 97,000 | 85,000 | 82,638 | (2,362) |
| Miscellaneous Receipts and Reimbursements, Including Interest | 5,763 | 10,060 | 10,065 | 5 |
| Total Revenues | <u>144,763</u> | <u>131,060</u> | <u>133,096</u> | <u>2,036</u> |
| Expenditures: | | | | |
| General Government - Current: | | | | |
| Personnel Services | 113,175 | 110,930 | 110,376 | 554 |
| General Operating | 8,492 | 7,725 | 3,834 | 3,891 |
| Contractual Services | 7,253 | 7,485 | 5,534 | 1,951 |
| Materials and Supplies | 4,837 | 4,155 | 2,163 | 1,992 |
| Capital Outlay | 0 | 3,462 | 3,462 | 0 |
| Total Expenditures | <u>133,757</u> | <u>133,757</u> | <u>125,369</u> | <u>8,388</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 11,006 | (2,697) | 7,727 | 10,424 |
| Fund Balance at Beginning of Year | 185,988 | 185,988 | 185,988 | 0 |
| Encumbrances | 0 | 0 | 956 | (956) |
| Fund Balance at End of Year | <u>\$ 196,994</u> | <u>\$ 183,291</u> | <u>\$ 194,671</u> | <u>\$ 11,380</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2003**

| DEBT SERVICE FUND | | | | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Other Local Taxes | \$ 67,251 | \$ 67,251 | \$ 61,905 | \$ (5,346) |
| State Shares Taxes and Permits | 0 | 0 | 7,391 | 7,391 |
| Miscellaneous Receipts and Reimbursements, Including Interest | 500 | 500 | 2,414 | 1,914 |
| Total Revenues | <u>67,751</u> | <u>67,751</u> | <u>71,710</u> | <u>3,959</u> |
| Expenditures: | | | | |
| Public Safety: | | | | |
| Police and Fire Pension | | | | |
| Contractual Services | 900 | 900 | 396 | 504 |
| Highways and Streets: | | | | |
| Streets | | | | |
| Contractual Services | 900 | 900 | 734 | 166 |
| Debt Service: | | | | |
| Principal Retirement | 30,150 | 30,150 | 30,150 | 0 |
| Interest and Fiscal Charges | 48,124 | 48,124 | 48,123 | 1 |
| Total Expenditures | <u>80,074</u> | <u>80,074</u> | <u>79,403</u> | <u>671</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | |
| | (12,323) | (12,323) | (7,693) | 4,630 |
| Fund Balance at Beginning of Year | 44,249 | 44,249 | 44,249 | 0 |
| Fund Balance at End of Year | <u>\$ 31,926</u> | <u>\$ 31,926</u> | <u>\$ 36,556</u> | <u>\$ 4,630</u> |

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003***

| MUNICIPAL COURT CAPITAL IMPROVEMENTS FUND | | | | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|-------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Fines, Costs, Forfeitures, Licenses and Permits | 120,000 | 120,000 | 153,999 | 33,999 |
| Miscellaneous Receipts and Reimbursements, Including Interest | 13,000 | 13,000 | 17,496 | 4,496 |
| Total Revenues | <u>133,000</u> | <u>133,000</u> | <u>171,495</u> | <u>38,495</u> |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Contractual Services | 132,255 | 132,455 | 71,785 | 60,670 |
| Materials and Supplies | 2,000 | 1,800 | 1,223 | 577 |
| Capital Improvements | 46,661 | 46,661 | 23,695 | 22,966 |
| Total Expenditures | <u>180,916</u> | <u>180,916</u> | <u>96,703</u> | <u>84,213</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (47,916) | (47,916) | 74,792 | 122,708 |
| Fund Balance at Beginning of Year | 310,768 | 310,768 | 310,768 | 0 |
| Encumbrances | 0 | 0 | 7,758 | (7,758) |
| Fund Balance at End of Year | <u>\$ 262,852</u> | <u>\$ 262,852</u> | <u>\$ 393,318</u> | <u>\$ 130,466</u> |

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003**

| | ISSUE 2 FUND | | | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|----------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>(Negative)</u> |
| Revenues: | | | | |
| Intergovernmental Grants | \$ 324,000 | \$ 324,000 | \$ 133,386 | \$ (190,614) |
| Total Revenues | <u>324,000</u> | <u>324,000</u> | <u>133,386</u> | <u>(190,614)</u> |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| Capital Improvements | <u>324,000</u> | <u>324,000</u> | <u>132,489</u> | <u>191,511</u> |
| Total Expenditures | <u>324,000</u> | <u>324,000</u> | <u>132,489</u> | <u>191,511</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 897 | 897 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 897</u> | <u>\$ 897</u> |

Nonmajor Enterprise Funds

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

Loan Fund

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

Parking Revenue Fund

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

CDBG and UDAG Revolving Loan Fund

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

Housing Rehabilitation Loan Fund

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

CITY OF XENIA, OHIO

**Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2003**

| | Loan | Parking Revenue | CDBG & UDAG Revolving Loan | Housing Rehabilitation Loan | Total Nonmajor Enterprise Funds |
|--|-------------------|--------------------|-------------------------------------|-----------------------------------|--|
| Assets: | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 1,088 | \$ 3,317 | \$ 20,018 | \$ 57,345 | \$ 81,768 |
| Investments | 5,105 | 15,553 | 93,864 | 268,896 | 383,418 |
| Receivables: | | | | | |
| Accounts | 0 | 1,241 | 0 | 0 | 1,241 |
| Special assessments, including liens | 11,217 | 0 | 0 | 0 | 11,217 |
| Loans | 2,000 | 0 | 0 | 24,500 | 26,500 |
| Accrued interest | 27 | 0 | 777 | 3,587 | 4,391 |
| Grants | 0 | 0 | 381,853 | 0 | 381,853 |
| Prepaid items | 181 | 267 | 0 | 0 | 448 |
| Total Current Assets | 19,618 | 20,378 | 496,512 | 354,328 | 890,836 |
| Noncurrent Assets: | | | | | |
| Unrestricted: | | | | | |
| Loans receivable (net of current) | 97,618 | 0 | 0 | 473,154 | 570,772 |
| Allowance for uncollectible loans | (2,847) | 0 | 0 | (353,601) | (356,448) |
| Capital Assets (net of accumulated depreciation) | 0 | 111,310 | 72,387 | 4,525 | 188,222 |
| Total Noncurrent Assets | 94,771 | 111,310 | 72,387 | 124,078 | 402,546 |
| Total Assets | \$ 114,389 | \$ 131,688 | \$ 568,899 | \$ 478,406 | \$ 1,293,382 |
| Liabilities: | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 0 | \$ 9 | \$ 7,949 | \$ 0 | \$ 7,958 |
| Accrued payroll | 0 | 2,242 | 0 | 253 | 2,495 |
| Total Current Liabilities | 0 | 2,251 | 7,949 | 253 | 10,453 |
| Noncurrent Liabilities | | | | | |
| Accrued payroll | 0 | 2,983 | 0 | 1,269 | 4,252 |
| Total Noncurrent Liabilities | 0 | 2,983 | 0 | 1,269 | 4,252 |
| Total Liabilities | 0 | 5,234 | 7,949 | 1,522 | 14,705 |
| Net Assets: | | | | | |
| Invested in Capital Assets, net of debt | 0 | 111,310 | 72,387 | 4,525 | 188,222 |
| Unrestricted | 114,389 | 15,144 | 488,563 | 472,359 | 1,090,455 |
| Total Net Assets | \$ 114,389 | \$ 126,454 | \$ 560,950 | \$ 476,884 | \$ 1,278,677 |

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2003**

| | Loan | Parking Revenue | CDBG & UDAG Revolving Loan | Housing Rehabilitation Loan | Total Nonmajor Enterprise Funds |
|---|--------------------------|--------------------------|-------------------------------------|-----------------------------------|--|
| Operating revenues: | | | | | |
| Charges for services | \$ 31 | \$ 80,325 | \$ 0 | \$ 24,123 | \$ 104,479 |
| Operating expenses: | | | | | |
| Personnel services | 0 | 54,282 | 0 | 3,340 | 57,622 |
| General operating | 0 | 0 | 37 | 0 | 37 |
| Contractual services | 646 | 9,454 | 232,550 | 1,529 | 244,179 |
| Materials and supplies | 0 | 2,881 | 763 | 0 | 3,644 |
| Depreciation | 0 | 0 | 6,049 | 169 | 6,218 |
| Non-governmental | 33,767 | 0 | 120,734 | 3,141 | 157,642 |
| Total expenditures | <u>34,413</u> | <u>66,617</u> | <u>360,133</u> | <u>8,179</u> | <u>469,342</u> |
| Operating income (loss) | (34,382) | 13,708 | (360,133) | 15,944 | (364,863) |
| Non-operating revenues: | | | | | |
| Interest revenue | 223 | 0 | 5,134 | 13,454 | 18,811 |
| Other | 0 | 27 | 156,243 | 91 | 156,361 |
| Intergovernmental | 0 | 0 | 128,876 | 0 | 128,876 |
| Total Non-operating revenue | <u>223</u> | <u>27</u> | <u>290,253</u> | <u>13,545</u> | <u>304,048</u> |
| Non-operating expenses: | | | | | |
| Loss on disposal | 0 | 0 | (346) | (465) | (811) |
| Total Non-Operating Expenses | <u>0</u> | <u>0</u> | <u>346</u> | <u>465</u> | <u>811</u> |
| Income (loss) before operating transfers | (34,159) | 13,735 | (70,226) | 29,024 | (61,626) |
| Transfers | | | | | |
| Transfers in | 0 | 0 | 25,000 | 0 | 25,000 |
| Total Transfers | <u>0</u> | <u>0</u> | <u>25,000</u> | <u>0</u> | <u>25,000</u> |
| Net Income (Loss) | (34,159) | 13,735 | (45,226) | 29,024 | (36,626) |
| Net assets, beginning of year | 148,548 | 112,719 | 606,176 | 447,860 | 1,315,303 |
| Net assets, end of year | <u>\$ 114,389</u> | <u>\$ 126,454</u> | <u>\$ 560,950</u> | <u>\$ 476,884</u> | <u>\$ 1,278,677</u> |

CITY OF XENIA, OHIO

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2003**

| | Loan | Parking Revenue | CDBG & UDAG Revolving Loan | Housing Rehabilitation Loan | Total Other Enterprise Funds |
|---|------------|-----------------|----------------------------|-----------------------------|------------------------------|
| Cash Flows from Operating Activities: | | | | | |
| Cash Received from Customers | \$4,630 | \$80,190 | \$0 | \$71,262 | \$156,082 |
| Cash Payments for Goods and Services | (697) | (12,332) | (193,862) | (15,440) | (222,331) |
| Cash Payments to Employees | 0 | (55,443) | 0 | (3,316) | (58,759) |
| Net Cash Provided (Used) by Operating Activities | 3,933 | 12,415 | (193,862) | 52,506 | (125,008) |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Transfers In from Other Funds | 0 | 0 | 25,000 | 0 | 25,000 |
| Net Cash Provided by Noncapital Financing Activities | 0 | 0 | 25,000 | 0 | 25,000 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Intergovernmental Grants | 0 | 0 | 219,023 | 0 | 219,023 |
| Acquisition and Construction of Assets | 0 | 0 | 0 | 0 | 0 |
| Net Cash Provided by Capital and Related Financing Activities | 0 | 0 | 219,023 | 0 | 219,023 |
| Cash Flows from Investing Activities: | | | | | |
| Sale of Investments | 0 | 0 | 0 | 0 | 0 |
| Purchase of Investments | (3,280) | (9,734) | (41,620) | (35,740) | (90,374) |
| Receipts of Interest | 236 | 0 | 5,771 | 15,115 | 21,122 |
| Net Cash Provided (Used) by Investing Activities | (3,044) | (9,734) | (35,849) | (20,625) | (69,252) |
| Net Increase in Cash and Cash Equivalents | 889 | 2,681 | 14,312 | 31,881 | 49,763 |
| Cash and Cash Equivalents at Beginning of Year | 199 | 636 | 5,706 | 25,464 | 32,005 |
| Cash and Cash Equivalents at End of Year | \$1,088 | \$3,317 | \$20,018 | \$57,345 | \$81,768 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating Income (Loss) | (\$34,382) | \$13,708 | (\$360,133) | \$15,944 | (\$364,863) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Depreciation Expense | 0 | 0 | 6,049 | 169 | 6,218 |
| Allowance for Uncollectibles | 33,767 | 0 | 0 | 0 | 33,767 |
| Income - Other Nonoperating | 0 | 27 | 156,243 | 1 | 156,271 |
| Changes in Assets and Liabilities: | | | | | |
| Decrease in Principal Receivable | 1,099 | 0 | 0 | 36,208 | 37,307 |
| Decrease in Interest Receivable | 3,500 | 0 | 0 | 173 | 3,673 |
| Increase in Accounts Receivable | 0 | (135) | 0 | 0 | (135) |
| Increase in Prepaid Items | (35) | (23) | 0 | 0 | (58) |
| Increase (Decrease) in Accounts Payable | (16) | 0 | 3,979 | (13) | 3,950 |
| Increase (Decrease) in Accrued Payroll | 0 | (1,162) | 0 | 24 | (1,138) |
| Total Adjustments | 38,315 | (1,293) | 166,271 | 36,562 | 239,855 |
| Net Cash Provided (Used) by Operating Activities | \$3,933 | \$12,415 | (\$193,862) | \$52,506 | (\$125,008) |

Internal Service Funds

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

Utility Billing Fund

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

City Garage Fund

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

CITY OF XENIA, OHIO

**Combining Statement of Net Assets
Internal Service Funds
December 31, 2003**

| | Utility Billing | City Garage | Total Internal Service Funds |
|--|-----------------|------------------|---------------------------------|
| Assets: | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 986 | \$ 10,509 | \$ 11,495 |
| Investments | 4,623 | 49,278 | 53,901 |
| Receivables: | | | |
| Accounts | 0 | 1,188 | 1,188 |
| Inventories | 0 | 35,208 | 35,208 |
| Prepaid items | 536 | 3,465 | 4,001 |
| Total Current Assets | 6,145 | 99,648 | 105,793 |
| Noncurrent Assets: | | | |
| Unrestricted: | | | |
| Capital Assets (net of accumulated depreciation) | 1,478 | 11,694 | 13,172 |
| Total Noncurrent Assets | 1,478 | 11,694 | 13,172 |
| Total Assets | 7,623 | 111,342 | 118,965 |
| Liabilities: | | | |
| Current Liabilities: | | | |
| Accounts payable | 1,434 | 23,808 | 25,242 |
| Accrued payroll | 0 | 5,668 | 5,668 |
| Interfund payable | 0 | 4,490 | 4,490 |
| Total Current Liabilities | 1,434 | 33,966 | 35,400 |
| Noncurrent Liabilities | | | |
| Accrued payroll | 0 | 16,680 | 16,680 |
| Advances from other funds | 0 | 14,091 | 14,091 |
| Total Noncurrent Liabilities | 0 | 30,771 | 30,771 |
| Total Liabilities | 1,434 | 64,737 | 66,171 |
| Net Assets: | | | |
| Invested in Capital Assets, net of debt | 1,478 | 11,694 | 13,172 |
| Unrestricted | 4,711 | 34,911 | 39,622 |
| Total Net Assets | \$ 6,189 | \$ 46,605 | \$ 52,794 |

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2003**

| | <u>Utility Billing</u> | <u>City Garage</u> | <u>Total Internal Service Funds</u> |
|--------------------------------------|------------------------|--------------------|---|
| Operating revenues: | | | |
| Charges for services | <u>\$ 39,000</u> | <u>\$ 472,933</u> | <u>\$ 511,933</u> |
| Operating expenses: | | | |
| Personnel services | 0 | 132,751 | 132,751 |
| General operating | 3,473 | 423 | 3,896 |
| Contractual services | 46,575 | 91,684 | 138,259 |
| Materials and supplies | 6,936 | 224,716 | 231,652 |
| Depreciation | 211 | 3,701 | 3,912 |
| Non-governmental | <u>0</u> | <u>4,462</u> | <u>4,462</u> |
| Total expenditures | <u>57,195</u> | <u>457,737</u> | <u>514,932</u> |
| Operating income (loss) | (18,195) | 15,196 | (2,999) |
| Non-operating revenues: | | | |
| Other | 0 | 58 | 58 |
| Intergovernmental | <u>0</u> | <u>563</u> | <u>563</u> |
| Total Non-operating revenue | <u>0</u> | <u>621</u> | <u>621</u> |
| Net Income (Loss) | (18,195) | 15,817 | (2,378) |
| Net assets, beginning of year | <u>24,384</u> | <u>30,788</u> | <u>55,172</u> |
| Net assets, end of year | <u>\$ 6,189</u> | <u>\$ 46,605</u> | <u>\$ 52,794</u> |

CITY OF XENIA, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2003***

| | Utility Billing | City Garage | Totals |
|--|--------------------|-----------------|-----------------|
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$39,000 | \$472,957 | \$511,957 |
| Cash Payments for Goods and Services | (56,123) | (316,714) | (372,837) |
| Cash Payments to Employees | 0 | (135,478) | (135,478) |
| Net Cash Provided (Used) by Operating Activities | <u>(17,123)</u> | <u>20,765</u> | <u>3,642</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Transfers Out to Other Funds | 0 | (5,140) | (5,140) |
| Net Cash Used by Noncapital Financing Activities | <u>0</u> | <u>(5,140)</u> | <u>(5,140)</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Intergovernmental Grants | 0 | 563 | 563 |
| Net Cash Provided by Capital and Related Financing Activities | <u>0</u> | <u>563</u> | <u>563</u> |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Sale of Investments | 15,871 | 0 | 15,871 |
| Purchase of Investments | 0 | (9,972) | (9,972) |
| Net Cash Provided (Used) by Investing Activities | <u>15,871</u> | <u>(9,972)</u> | <u>5,899</u> |
| Net Increase in Cash and Cash Equivalents | (1,252) | 6,216 | 4,964 |
| Cash and Cash Equivalents at Beginning of Year | 2,238 | 4,293 | 6,531 |
| Cash and Cash Equivalents at End of Year | <u>\$986</u> | <u>\$10,509</u> | <u>\$11,495</u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u> | | | |
| <u>Provided (Used) by Operating Activities:</u> | | | |
| Operating Income (Loss) | (\$18,195) | \$15,196 | (\$2,999) |
| Adjustments to Reconcile Operating Income (Loss) to | | | |
| Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation Expense | 211 | 3,701 | 3,912 |
| Income - Other Nonoperating | 0 | 58 | 58 |
| Changes in Assets and Liabilities: | | | |
| Decrease in Accounts Receivable | 0 | 24 | 24 |
| Increase in Prepaid Items | (32) | (57) | (89) |
| Increase in Inventory | 0 | (10,415) | (10,415) |
| Increase (Decrease) in Accounts Payable | 893 | 14,985 | 15,878 |
| Increase in Accrued Payroll | 0 | (2,727) | (2,727) |
| Total Adjustments | <u>1,072</u> | <u>5,569</u> | <u>6,641</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(\$17,123)</u> | <u>\$20,765</u> | <u>\$3,642</u> |

Fiduciary Funds

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

Agency Funds

Municipal Court Funds

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

Imprest Cash Fund

To account for petty cash.

Insurance Deposit Fund

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

CITY OF XENIA, OHIO

**Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2003**

| | Balance December 31, 2002 | Additions | Deductions | Balance December 31, 2003 |
|---|---------------------------------|--------------------|----------------------|---------------------------------|
| <u>Municipal Court - Traffic and Criminal:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$222,369 | \$1,565,038 | (\$1,593,769) | \$193,638 |
| Total Assets | <u>\$222,369</u> | <u>\$1,565,038</u> | <u>(\$1,593,769)</u> | <u>\$193,638</u> |
| Liabilities: | | | | |
| Accounts Payable | \$97,110 | \$1,079,734 | (\$1,081,894) | \$94,950 |
| Restricted Deposits | 125,259 | 485,304 | (511,875) | 98,688 |
| Total Liabilities | <u>\$222,369</u> | <u>\$1,565,038</u> | <u>(\$1,593,769)</u> | <u>\$193,638</u> |
| <u>Municipal Court - Civil and Small Claims:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$10,648 | \$516,932 | (\$522,238) | \$5,342 |
| Total Assets | <u>\$10,648</u> | <u>\$516,932</u> | <u>(\$522,238)</u> | <u>\$5,342</u> |
| Liabilities: | | | | |
| Accounts Payable | \$1,848 | \$513,921 | (\$513,027) | \$2,742 |
| Restricted Deposits | 8,800 | 3,011 | (9,211) | 2,600 |
| Total Liabilities | <u>\$10,648</u> | <u>\$516,932</u> | <u>(\$522,238)</u> | <u>\$5,342</u> |
| <u>Imprest Cash:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$1,200 | \$0 | \$0 | \$1,200 |
| Total Assets | <u>\$1,200</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,200</u> |
| Liabilities: | | | | |
| Restricted Deposits | \$1,200 | \$0 | \$0 | \$1,200 |
| Total Liabilities | <u>\$1,200</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,200</u> |
| <u>Insurance Deposit:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$88,911 | \$19,867 | (\$88,911) | \$19,867 |
| Total Assets | <u>\$88,911</u> | <u>\$19,867</u> | <u>(\$88,911)</u> | <u>\$19,867</u> |
| Liabilities: | | | | |
| Restricted Deposits | \$88,911 | \$19,867 | (\$88,911) | \$19,867 |
| Total Liabilities | <u>\$88,911</u> | <u>\$19,867</u> | <u>(\$88,911)</u> | <u>\$19,867</u> |
| <u>Totals - All Agency Funds:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$323,128 | \$2,101,837 | (\$2,204,918) | \$220,047 |
| Total Assets | <u>\$323,128</u> | <u>\$2,101,837</u> | <u>(\$2,204,918)</u> | <u>\$220,047</u> |
| Liabilities: | | | | |
| Accounts Payable | \$98,958 | \$1,593,655 | (\$1,594,921) | \$97,692 |
| Restricted Deposits | 224,170 | 508,182 | (609,997) | 122,355 |
| Total Liabilities | <u>\$323,128</u> | <u>\$2,101,837</u> | <u>(\$2,204,918)</u> | <u>\$220,047</u> |

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*



CITY OF XENIA, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2003**

| | |
|---|-----------------------------|
| Capital Assets: | |
| Land | \$ 14,739,450 |
| Land Improvements | 705,117 |
| Building and Improvements | 3,827,446 |
| Machinery and Equipment | 8,469,576 |
| Infrastructure | <u>7,530,603</u> |
| Total Capital Assets | 35,272,192 |
| Construction in Progress | 28,500 |
| Net Capital Assets | <u><u>\$ 35,300,692</u></u> |
| | |
| Investment in Capital Assets by Source: | |
| Capital Projects Funds: | |
| Various Revenue Sources - (Pre-1983 Assets) | \$ 4,274,133 |
| General Revenues | 30,567,197 |
| Special Revenue Funds | <u>430,862</u> |
| Total Capital Assets | 35,272,192 |
| Construction in Progress | 28,500 |
| Net Capital Assets | <u><u>\$ 35,300,692</u></u> |

CITY OF XENIA, OHIO**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2003**

| Function and Activity | Land | Land Improvements | Buildings |
|---|----------------------|------------------------------|---------------------|
| General Government: | | | |
| Municipal Court | \$ 156,550 | \$ 0 | \$ 9,084 |
| Law Director | 0 | 0 | 0 |
| City Manager | 0 | 0 | 0 |
| Human Resources | 0 | 0 | 0 |
| Finance | 0 | 0 | 0 |
| Income Tax | 0 | 0 | 0 |
| Municipal Building and General Services | 102,580 | 0 | 2,525,521 |
| Data Processing | 0 | 0 | 0 |
| Clerk | 0 | 0 | 0 |
| Victim-witness | 0 | 0 | 0 |
| Total General Government | <u>259,130</u> | <u>0</u> | <u>2,534,605</u> |
| Public Safety: | | | |
| Police | 0 | 0 | 26,106 |
| Fire | 63,520 | 14,718 | 221,877 |
| Construction Inspection | 0 | 0 | 0 |
| Engineering | 0 | 0 | 0 |
| Total Public Safety | <u>63,520</u> | <u>14,718</u> | <u>247,983</u> |
| City Wide: | | | |
| Health | 0 | 0 | 0 |
| Highways and Streets | 11,107,417 | 326,432 | 118,061 |
| Community Development | 2,573,660 | 20,905 | 510,169 |
| Recreation | 484,473 | 716,019 | 1,040,593 |
| Utility Billing | 0 | 0 | 0 |
| Water Service | 0 | 0 | 0 |
| Sewer Service | 0 | 0 | 0 |
| Sanitation Service | 236,890 | 0 | 0 |
| Garage | 14,360 | 94,538 | 1,079,512 |
| Total City Wide | <u>14,416,800</u> | <u>1,157,894</u> | <u>2,748,335</u> |
| Total Capital Assets | <u>14,739,450</u> | <u>1,172,612</u> | <u>5,530,923</u> |
| Less: Accumulated Depreciation | <u>0</u> | <u>(467,495)</u> | <u>(1,703,477)</u> |
| Net Capital Assets | <u>\$ 14,739,450</u> | <u>\$ 705,117</u> | <u>\$ 3,827,446</u> |
| Construction in Progress | | | |
| Total Capital Assets | | | |

CITY OF XENIA, OHIO

| Machinery and Equipment | Infratructure | Total |
|--|----------------------|----------------------|
| \$ 396,138 | \$ 0 | \$ 561,772 |
| 5,273 | 0 | 5,273 |
| 32,599 | 0 | 32,599 |
| 4,048 | 0 | 4,048 |
| 46,298 | 0 | 46,298 |
| 20,483 | 0 | 20,483 |
| 33,469 | 0 | 2,661,570 |
| 786,845 | 0 | 786,845 |
| 5,406 | 0 | 5,406 |
| 18,231 | 0 | 18,231 |
| <u>1,348,790</u> | <u>0</u> | <u>4,142,525</u> |
| 1,902,366 | 0 | 1,928,472 |
| 2,727,941 | 0 | 3,028,056 |
| 13,792 | 0 | 13,792 |
| 62,959 | 0 | 62,959 |
| <u>4,707,058</u> | <u>0</u> | <u>5,033,279</u> |
| 15,666 | 0 | 15,666 |
| 8,026,764 | 11,022,587 | 30,601,261 |
| 15,326 | 0 | 3,120,060 |
| 410,910 | 0 | 2,651,995 |
| 1,077 | 0 | 1,077 |
| 4,120 | 0 | 4,120 |
| 16,028 | 0 | 16,028 |
| 0 | 0 | 236,890 |
| 203,113 | 0 | 1,391,523 |
| <u>8,693,004</u> | <u>11,022,587</u> | <u>38,038,620</u> |
| 14,748,852 | 11,022,587 | 47,214,424 |
| (6,279,276) | (3,491,984) | (11,942,232) |
| <u>\$ 8,469,576</u> | <u>\$ 7,530,603</u> | <u>35,272,192</u> |
| | | 28,500 |
| | | <u>\$ 35,300,692</u> |

CITY OF XENIA, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2003**

| Function and Activity | Capital Assets January 1, 2003 | Additions | Deductions | Capital Assets December 31, 2003 |
|---|---|--------------------|--------------------|---|
| General Government: | | | | |
| Municipal Court | \$549,927 | \$11,845 | \$0 | \$561,772 |
| Law Director | 5,273 | 0 | 0 | 5,273 |
| City Manager | 32,599 | 0 | 0 | 32,599 |
| Human Resources | 4,048 | 0 | 0 | 4,048 |
| Finance | 38,738 | 7,560 | 0 | 46,298 |
| Income Tax | 20,484 | 0 | 0 | 20,484 |
| Municipal Building and General Services | 2,661,570 | 0 | 0 | 2,661,570 |
| Data Processing | 750,962 | 59,393 | 23,510 | 786,845 |
| Clerk | 6,435 | 1,761 | 2,791 | 5,405 |
| Victim-witness | 15,923 | 2,308 | 0 | 18,231 |
| Total General Government | 4,085,959 | 82,867 | 26,301 | 4,142,525 |
| Public Safety: | | | | |
| Police | 1,760,794 | 251,857 | 84,178 | 1,928,473 |
| Fire | 2,445,506 | 1,068,037 | 485,487 | 3,028,056 |
| Construction Inspection | 2,500 | 11,292 | 0 | 13,792 |
| Engineering | 54,773 | 13,885 | 5,700 | 62,958 |
| Total Public Safety | 4,263,573 | 1,345,071 | 575,365 | 5,033,279 |
| City Wide: | | | | |
| Health | 15,666 | 0 | 0 | 15,666 |
| Highways and Streets | 28,139,469 | 2,042,542 | 61,245 | 30,120,766 |
| Community Development | 3,131,352 | 0 | 11,292 | 3,120,060 |
| Recreation | 3,041,657 | 95,438 | 4,605 | 3,132,490 |
| Utility Billing | 1,077 | 0 | 0 | 1,077 |
| Water Service | 4,120 | 0 | 0 | 4,120 |
| Sewer Service | 18,523 | 0 | 2,495 | 16,028 |
| Sanitation Service | 236,890 | 0 | 0 | 236,890 |
| Garage | 1,367,437 | 26,628 | 2,542 | 1,391,523 |
| Total City Wide | 35,956,191 | 2,164,608 | 82,179 | 38,038,620 |
| Total Capital Assets | 44,305,723 | 3,592,546 | 683,845 | 47,214,424 |
| Less: Accumulated Depreciation | 11,292,062 | 1,105,370 | 455,200 | 11,942,232 |
| Net Capital Assets | 33,013,661 | 2,487,176 | 228,645 | 35,272,192 |
| Construction in Progress | 1,029,296 | 28,500 | 1,029,296 | 28,500 |
| Total Capital Assets | \$34,042,957 | \$2,515,676 | \$1,257,941 | \$35,300,692 |

STATISTICAL SECTION



STATISTICAL TABLES

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

CITY OF XENIA, OHIO

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN YEARS

| Year | General Government | Public Safety | Highways and Streets | Community Development |
|------|-----------------------|------------------|-------------------------|--------------------------|
| 1994 | \$ 1,953,791 | \$ 6,585,327 | \$ 1,106,033 | \$ 183,406 |
| 1995 | 2,078,148 | 6,804,542 | 1,317,773 | 195,006 |
| 1996 | 2,138,386 | 7,113,784 | 1,232,011 | 192,807 |
| 1997 | 2,503,314 | 7,434,467 | 1,331,473 | 214,769 |
| 1998 | 2,950,717 | 7,716,929 | 1,258,925 | 236,427 |
| 1999 | 3,223,308 | 8,010,586 | 1,401,753 | 250,153 |
| 2000 | 2,547,063 | 9,060,993 | 1,599,974 | 263,724 |
| 2001 | 2,661,868 | 8,921,217 | 1,418,896 | 277,850 |
| 2002 | 2,866,097 | 9,632,474 | 1,486,189 | 256,039 |
| 2003 | 2,931,042 | 9,602,273 | 1,439,115 | 299,088 |

| Year | Health | Recreation | Debt Service | Total |
|------|------------|------------|-----------------|---------------|
| 1994 | \$ 170,552 | \$ 258,980 | \$ 0 | \$ 10,258,089 |
| 1995 | 173,037 | 282,337 | 0 | 10,850,843 |
| 1996 | 197,387 | 303,885 | 0 | 11,178,260 |
| 1997 | 229,193 | 368,200 | 0 | 12,081,416 |
| 1998 | 246,708 | 482,746 | 0 | 12,892,452 |
| 1999 | 242,556 | 496,365 | 0 | 13,624,721 |
| 2000 | 204,019 | 500,880 | 38,484 | 14,215,137 |
| 2001 | 66,533 | 500,504 | 116,028 | 13,962,896 |
| 2002 | 42,132 | 483,618 | 119,008 | 14,885,557 |
| 2003 | 70,285 | 470,294 | 116,825 | 14,928,922 |

Source: City of Xenia, Department of Finance

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

CITY OF XENIA, OHIO

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) LAST TEN YEARS

| Year | Municipal Income Taxes | Other Local Taxes | State Shared Taxes and Permits | Inter- Government Aid, Grants | Charges for Services |
|------|------------------------------|-------------------------|--------------------------------------|-------------------------------------|-------------------------|
| 1994 | \$ 5,831,783 | \$ 1,314,588 | \$ 1,759,448 | \$ 71,417 | \$ 79,178 |
| 1995 | 5,876,212 | 1,408,353 | 2,088,425 | 132,672 | 89,325 |
| 1996 | 6,158,719 | 1,407,030 | 2,025,806 | 163,724 | 133,607 |
| 1997 | 6,279,892 | 1,477,634 | 2,102,917 | 154,652 | 130,799 |
| 1998 | 6,830,404 | 1,501,540 | 2,458,522 | 234,893 | 86,819 |
| 1999 | 7,231,209 | 1,546,600 | 2,756,090 | 264,702 | 88,129 |
| 2000 | 7,306,394 | 1,604,470 | 2,557,075 | 584,346 | 67,904 |
| 2001 | 7,940,618 | 1,589,303 | 3,166,475 | 226,320 | 59,878 |
| 2002 | 7,682,250 | 1,542,313 | 3,194,270 | 378,407 | 192,887 |
| 2003 | 7,856,461 | 1,883,836 | 2,796,154 | 291,797 | 764,483 |

| Year | Fines, Costs Forfeitures Licenses and Permits | Miscellaneous Receipts and Reimbursements | Special Assessments | Total |
|------|--|---|------------------------|--------------|
| 1994 | \$ 761,234 | \$ 1,205,522 | \$ 7,042 | \$11,030,212 |
| 1995 | 775,172 | 1,289,813 | 3,429 | 11,663,401 |
| 1996 | 842,133 | 1,171,237 | 2,690 | 11,904,946 |
| 1997 | 910,933 | 1,093,171 | 3,904 | 12,153,902 |
| 1998 | 1,153,264 | 928,731 | 5,628 | 13,199,801 |
| 1999 | 1,314,091 | 917,626 | 10,281 | 14,128,728 |
| 2000 | 1,369,565 | 1,118,241 | 9,100 | 14,617,095 |
| 2001 | 1,269,927 | 1,017,807 | 28,498 | 15,298,826 |
| 2002 | 1,202,121 | 993,243 | 12,230 | 15,197,721 |
| 2003 | 1,154,062 | 1,020,611 | 12,846 | 15,780,250 |

Source: City of Xenia, Department of Finance

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

CITY OF XENIA, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

| Tax Year | Collection Year | Total Tax Levy | Current Tax Collections | Percentage of Current Taxes Collected | Delinquent Tax Collections |
|----------|-----------------|----------------|-------------------------|---------------------------------------|----------------------------|
| 1993 | 1994 | \$ 1,183,015 | \$ 1,102,564 | 93.2% | \$ 43,381 |
| 1994 | 1995 | 1,443,609 | 1,193,262 | 82.7 | 31,474 |
| 1995 | 1996 | 1,329,901 | 1,198,927 | 90.2 | 43,974 |
| 1996 | 1997 | 1,437,317 | 1,278,854 | 89.0 | 40,533 |
| 1997 | 1998 | 1,404,805 | 1,331,963 | 94.8 | 48,733 |
| 1998 | 1999 | 1,471,900 | 1,388,239 | 94.3 | 42,923 |
| 1999 | 2000 | 1,577,005 | 1,394,597 | 88.4 | 52,437 |
| 2000 | 2001 | 1,607,373 | 1,391,518 | 86.6 | 76,718 |
| 2001 | 2002 | 1,539,969 | 1,378,198 | 89.5 | 58,446 |
| 2002 | 2003 | 1,701,790 | 1,527,357 | 89.8 | 80,868 |

| Tax Year | Collection Year | Total Tax Collections | Total Collections as Percentage of Total Tax Levied | Outstanding Delinquent Taxes | Outstanding Delinquent Taxes as Percentage of Total Tax Levied |
|----------|-----------------|-----------------------|---|------------------------------|--|
| 1993 | 1994 | \$ 1,145,945 | 96.9% | \$ 59,215 | 5.0% |
| 1994 | 1995 | 1,224,736 | 84.8 | 73,018 | 5.0 |
| 1995 | 1996 | 1,242,901 | 93.5 | 72,992 | 5.5 |
| 1996 | 1997 | 1,319,387 | 91.8 | 93,865 | 6.5 |
| 1997 | 1998 | 1,380,696 | 98.3 | 76,896 | 5.5 |
| 1998 | 1999 | 1,431,162 | 97.2 | 110,458 | 7.5 |
| 1999 | 2000 | 1,447,034 | 91.8 | 143,314 | 9.1 |
| 2000 | 2001 | 1,468,236 | 91.3 | 156,720 | 9.8 |
| 2001 | 2002 | 1,436,644 | 93.3 | 176,903 | 11.5 |
| 2002 | 2003 | 1,608,225 | 94.5 | 161,374 | 9.5 |

Source: Greene County Auditor's Office

CITY OF XENIA, OHIO

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

| Tax Year | Collection Year | Real Property Values | | Personal Property Values | | Total Values | | Ratio of Total Assessed Value to total Market Value |
|-------------|--------------------|----------------------|-------------------|--------------------------|-------------------|----------------|-------------------|---|
| | | Assessed | Current Market | Assessed | Current Market | Assessed | Current Market | |
| 1993 (2) | 1994 | \$ 190,263,890 | \$ 543,611,114 | \$ 31,706,236 | \$ 111,113,298 | \$ 221,970,126 | \$ 654,724,412 | 35 % |
| 1994 | 1995 | 192,490,740 | 549,973,543 | 33,723,811 | 118,742,901 | 226,214,551 | 668,716,444 | 35 |
| 1995 | 1996 | 197,569,440 | 564,484,114 | 38,947,655 | 155,790,620 | 236,517,095 | 720,274,734 | 35 |
| 1996 (1) | 1997 | 227,387,020 | 649,677,200 | 35,202,090 | 126,458,645 | 262,589,110 | 776,135,845 | 35 |
| 1997 | 1998 | 232,033,230 | 662,952,086 | 44,264,461 | 161,873,307 | 276,297,691 | 824,825,393 | 35 |
| 1998 | 1999 | 237,199,760 | 677,713,600 | 45,616,390 | 166,198,566 | 282,816,150 | 843,912,166 | 35 |
| 1999 (2) | 2000 | 254,762,850 | 726,195,886 | 45,259,251 | 164,683,758 | 299,427,811 | 890,879,644 | 35 |
| 2000 | 2001 | 255,754,560 | 730,727,314 | 45,870,809 | 169,458,436 | 301,625,369 | 900,185,750 | 34 |
| 2001 | 2002 | 257,363,900 | 735,325,429 | 39,286,360 | 146,469,760 | 296,650,260 | 881,795,189 | 34 |
| 2002 (1) | 2003 | 302,734,910 | 864,956,855 | 40,383,209 | 161,477,977 | 343,118,119 | 1,026,434,862 | 33 |

Source: Greene County Auditors' Office

- (1) Real property values were revalued as of January 1 as part of the six-year revaluation process.
- (2) Real property values were updated at January 1 as part of the triennial update process.
- (3) A portion of the personal property tax is collected in the same year as the tax year.

CITY OF XENIA, OHIO

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

| <u>Tax Year</u> | <u>Collection Year</u> | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> | <u>School (1) District</u> | <u>Health District</u> | <u>County</u> | <u>Total</u> |
|-----------------|------------------------|---------------------|--------------------------|--------------|----------------------------|------------------------|---------------|--------------|
| 1993 | 1994 | 6.70 | 0.00 | 6.70 | 44.55 | 0.30 | 8.78 | 60.33 |
| 1994 | 1995 | 6.70 | 0.00 | 6.70 | 44.25 | 0.30 | 8.78 | 60.03 |
| 1995 | 1996 | 6.70 | 0.00 | 6.70 | 43.85 | 0.30 | 8.78 | 59.63 |
| 1996 | 1997 | 6.70 | 0.00 | 6.70 | 42.95 | 0.30 | 8.78 | 58.73 |
| 1997 | 1998 | 6.70 | 0.00 | 6.70 | 42.75 | 0.30 | 8.78 | 58.53 |
| 1998 | 1999 | 6.70 | 0.00 | 6.70 | 42.55 | 0.30 | 8.78 | 58.33 |
| 1999 | 2000 | 6.70 | 0.00 | 6.70 | 42.15 | 0.30 | 9.08 | 58.23 |
| 2000 | 2001 | 6.30 | 0.40 | 6.70 | 41.95 | 0.30 | 10.33 | 59.28 |
| 2001 | 2002 | 6.30 | 0.40 | 6.70 | 42.05 | 0.30 | 10.33 | 59.38 |
| 2002 | 2003 | 6.30 | 0.40 | 6.70 | 41.15 | 0.50 | 10.33 | 58.68 |

Source: Greene County Auditor's Office

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

CITY OF XENIA, OHIO

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

| <u>Year</u> | <u>Assessments Billed</u> | <u>Assessments Collected</u> | <u>Ratios of Collections to Amount Billed</u> | <u>Total Outstanding Assessments</u> |
|-------------|-------------------------------|----------------------------------|---|--|
| 1994 | \$ 90,394 | \$ 29,752 | 32.91 % | \$ 60,642 |
| 1995 | 59,948 | 16,849 | 28.11 | 43,099 |
| 1996 | 62,285 | 13,533 | 21.73 | 48,752 |
| 1997 | 76,788 | 26,433 | 34.42 | 50,355 |
| 1998 | 68,113 | 12,151 | 17.84 | 55,962 |
| 1999 | 72,562 | 14,708 | 20.27 | 57,854 |
| 2000 | 107,634 | 9,318 | 8.66 | 98,316 |
| 2001 | 127,074 | 28,571 | 22.48 | 98,503 |
| 2002 | 126,620 | 12,449 | 9.83 | 114,171 |
| 2003 | 157,619 | 13,053 | 8.28 | 144,566 |

Source: Greene County Auditor's Office

CITY OF XENIA, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2003

| | |
|---|-----------------------|
| Total Assessed Value | <u>\$ 343,118,119</u> |
| Overall Debt Limitation - 10-1/2% of assessed valuation | <u>36,027,402</u> |
| Total Bonded Debt | <u>1,270,000</u> |
| Total Amount of Debt Applicable to Debt Limit | <u>1,270,000</u> |
| Legal Debt Margin Within 10-1/2% Limitation | <u>\$ 34,757,402</u> |
| Unvoted Debt Limitation - 5-1/2% of assessed valuation | <u>18,871,497</u> |
| Total Bonded Debt | <u>1,270,000</u> |
| Total Amount of Debt Applicable to Debt Limit | <u>1,270,000</u> |
| Legal Debt Margin Within 5-1/2% Limitation | <u>\$ 17,601,497</u> |

Source: City of Xenia, Department of Finance

CITY OF XENIA, OHIO

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

| Year | Population | Assessed Value | Gross Bonded Debt (1) |
|------|------------|-------------------|--------------------------|
| 1994 | 24,836 | \$ 221,970,126 | \$ 0 |
| 1995 | 24,836 | 226,214,551 | 0 |
| 1996 | 24,836 | 236,517,095 | 0 |
| 1997 | 24,836 | 262,589,110 | 0 |
| 1998 | 24,836 | 276,297,691 | 0 |
| 1999 | 24,836 | 282,816,150 | 0 |
| 2000 | 24,164 | 299,427,811 | 1,400,000 |
| 2001 | 24,164 | 301,625,369 | 1,360,000 |
| 2002 | 24,164 | 296,650,260 | 1,315,000 |
| 2003 | 24,164 | 343,118,119 | 1,270,000 |

| Year | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt per Capita |
|------|--------------------|--|----------------------------------|
| 1994 | \$ 0 | 0.00% | \$ 0.00 |
| 1995 | 0 | 0.00 | 0.00 |
| 1996 | 0 | 0.00 | 0.00 |
| 1997 | 0 | 0.00 | 0.00 |
| 1998 | 0 | 0.00 | 0.00 |
| 1999 | 0 | 0.00 | 0.00 |
| 2000 | 1,400,000 | 0.47 | 57.94 |
| 2001 | 1,360,000 | 0.05 | 56.28 |
| 2002 | 1,315,000 | 0.44 | 54.42 |
| 2003 | 1,270,000 | 0.37 | 52.56 |

Source: City of Xenia, Department of Finance

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

CITY OF XENIA, OHIO

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

| <u>Year</u> | <u>Principal (1)</u> | <u>Interest (1)</u> | <u>Total Debt Service</u> (1) | <u>Total General Expenditures</u> (2) | <u>Ratio of Debt Service To Total General Expenditures</u> |
|-------------|----------------------|---------------------|---------------------------------------|---|--|
| 1994 | \$ 0 | \$ 0 | \$ 0 | \$ 10,258,089 | 0.00% |
| 1995 | 0 | 0 | 0 | 10,850,843 | 0.00 |
| 1996 | 0 | 0 | 0 | 11,178,260 | 0.00 |
| 1997 | 0 | 0 | 0 | 12,081,416 | 0.00 |
| 1998 | 0 | 0 | 0 | 12,892,452 | 0.00 |
| 1999 | 0 | 0 | 0 | 13,624,721 | 0.00 |
| 2000 | 0 | 38,484 | 38,484 | 14,215,137 | 0.27 |
| 2001 | 40,000 | 76,028 | 116,028 | 13,962,896 | 0.83 |
| 2002 | 45,000 | 74,008 | 119,008 | 14,885,557 | 0.80 |
| 2003 | 45,000 | 71,825 | 116,825 | 14,928,922 | 0.78 |

Source: City of Xenia, Department of Finance

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

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

Excludes Capital Outlay in the Special Revenue Funds

CITY OF XENIA, OHIO

COMPUTATION OF OVERLAPPING DEBT
DECEMBER 31, 2003

| <u>Jurisdiction</u> | Net Outstanding Debt (1) | Percentage Applicable to City of Xenia, Ohio (2) | Amount Applicable to City of Xenia, Ohio |
|---------------------------------|--------------------------------|---|---|
| Greene County | \$ 21,250,000 | 11.20% | \$ 2,380,000 |
| Xenia Community School District | 1,520,000 | 0.61 | 927,200 |
| Greene County Career Center | 3,690,752 | 0.11 | 405,983 |
| Greene County Health District | 0 | 0.11 | <u>0</u> |
| Total | | | <u>\$ 3,713,183</u> |

Sources:

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

CITY OF XENIA, OHIO

COVERAGES - SEWER DEBT
LAST TEN YEARS

| Year | Gross Revenue (1) | Direct Operating Expense (2) | Net Revenue Available for Debt Service |
|------|----------------------|------------------------------------|--|
| 1994 | \$ 2,242,910 | \$ 1,958,808 | \$ 284,102 |
| 1995 | 2,451,963 | 2,053,604 | 398,359 |
| 1996 | 2,540,382 | 2,260,671 | 279,711 |
| 1997 | 2,560,164 | 2,174,815 | 385,349 |
| 1998 | 2,465,885 | 2,237,721 | 228,164 |
| 1999 | 2,443,731 | 2,417,190 | 26,541 |
| 2000 | 3,320,937 | 2,759,441 | 561,496 |
| 2001 | 3,165,045 | 3,052,458 | 112,587 |
| 2002 | 3,431,178 | 3,205,093 | 226,085 |
| 2003 | 2,984,362 | 3,297,080 | (312,718) |

| Year | Debt Service Requirements (3) | | | Coverage |
|------|-------------------------------|-----------|------------|----------|
| | Principal | Interest | Total | |
| 1994 | \$ 106,715 | \$ 75,588 | \$ 182,303 | 1.56 |
| 1995 | 109,984 | 72,319 | 182,303 | 2.19 |
| 1996 | 113,353 | 68,950 | 182,303 | 1.53 |
| 1997 | 116,825 | 65,478 | 182,303 | 2.11 |
| 1998 | 120,403 | 61,900 | 182,303 | 1.25 |
| 1999 | 124,091 | 58,212 | 182,303 | 0.15 |
| 2000 | 63,463 | 27,688 | 91,151 | 6.16 |
| 2001 | 177,818 | 127,513 | 305,331 | 0.37 |
| 2002 | 438,714 | 245,753 | 684,467 | 0.33 |
| 2003 | 451,384 | 233,083 | 684,467 | (0.46) |

Source: City of Xenia, Department of Finance

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

(2) Excludes repair and maintenance repairs.

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

CITY OF XENIA, OHIO

DEMOGRAPHIC STATISTICS LAST TEN YEARS

| <u>Year</u> | <u>Population (1)</u> | <u>Per Capita Income (1)</u> | <u>Median Age (1)</u> | <u>School Enrollment (2)</u> | <u>Unemployment Rate (3)(4)</u> |
|-------------|-----------------------|----------------------------------|---------------------------|----------------------------------|-------------------------------------|
| 1994 | 24,836 | \$ 10,906 | 31.5 | 5,776 | 4.7 % |
| 1995 | 24,836 | 10,906 | 31.5 | 5,680 | 3.5 |
| 1996 | 24,836 | 10,906 | 31.5 | 5,600 | 3.8 |
| 1997 | 24,836 | 10,906 | 31.5 | 5,546 | 3.8 |
| 1998 | 24,836 | 10,906 | 31.5 | 5,425 | 3.5 |
| 1999 | 24,836 | 10,906 | 31.5 | 5,390 | 3.0 |
| 2000 | 24,836 | 10,906 | 31.5 | 5,324 | 3.8 |
| 2001 | 24,164 | 10,906 | 34.5 | 5,221 | 3.4 |
| 2002 | 24,164 | 16,481 | 34.5 | 5,221 | 4.5 |
| 2003 | 24,164 | 16,481 | 34.5 | 5,137 | 5.0 |

Sources:

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

CITY OF XENIA, OHIO

**CONSTRUCTION AND PROPERTY VALUES
LAST TEN YEARS**

| Year | Commercial Construction (1) | | Residential Construction (1) | | Assessed Property Value (2) | | | | | |
|------|-----------------------------|------------|------------------------------|--------------|-----------------------------|----------------|---------------|--------------|---------------------|--|
| | Number of Units | Value | Number of Units | Value | Agricultural | Residential | Commercial | Industrial | Public Utility-Real | |
| 1994 | 12 | \$ 995,400 | 57 | \$ 4,600,000 | \$ 731,240 | \$ 147,391,550 | \$ 33,907,980 | \$ 8,176,300 | \$ 56,820 | |
| 1995 | 13 | 2,773,000 | 79 | 7,305,200 | 674,770 | 148,664,750 | 33,633,390 | 9,459,980 | 57,850 | |
| 1996 | 12 | 2,496,000 | 92 | 9,086,042 | 794,010 | 151,901,540 | 35,361,820 | 9,460,710 | 51,360 | |
| 1997 | 13 | 5,709,750 | 100 | 10,064,210 | 862,120 | 176,783,670 | 39,756,080 | 9,908,210 | 76,940 | |
| 1998 | 13 | 13,109,046 | 67 | 6,936,699 | 680,950 | 181,086,510 | 40,087,810 | 10,100,420 | 77,540 | |
| 1999 | 3 | 7,825,500 | 79 | 8,480,533 | 1,051,770 | 185,488,480 | 40,479,090 | 10,112,920 | 67,500 | |
| 2000 | | n/a | | n/a | 5,179,960 | 197,739,750 | 41,778,130 | 9,996,080 | 68,930 | |
| 2001 | 15 | 4,319,707 | 128 | 14,917,928 | 4,555,550 | 199,208,910 | 41,801,090 | 10,120,080 | 68,930 | |
| 2002 | 21 | 7,008,823 | 104 | 13,930,555 | 1,354,680 | 203,643,870 | 41,621,500 | 10,682,330 | 61,520 | |
| 2003 | 17 | 11,579,702 | 109 | 13,896,399 | 1,612,480 | 243,814,080 | 46,174,780 | 11,067,330 | 66,240 | |

Source: City of Xenia, Department of Finance

(1) Greene County Building Inspection

(2) Greene County Auditor's Office

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

CITY OF XENIA, OHIO

PRINCIPAL TAXPAYERS
DECEMBER 31, 2003

| Taxpayer | Type of Business | Assessed Valuation | Percentage of Total Assessed Valuation |
|--|-------------------|-----------------------|--|
| Supervalu Holdings, Inc. | Grocery warehouse | \$ 6,767,160 | 1.97% |
| CIL Isotope Separation, Inc. | Manufacturing | 2,368,270 | 0.69% |
| Key Chrysler Plymouth, Inc. | Automotive Sales | 1,937,400 | 0.56% |
| Electronic Image Systems, Inc. (Barco) | CRT Projectors | 1,586,560 | 0.46% |
| Twist, Inc. | Manufacturing | 1,359,525 | 0.40% |
| Walmart Stores, Inc. | Retail | 1,092,690 | 0.32% |
| Time Warner Entertainment Co. | Cable | 908,130 | 0.26% |
| Yoder Die Casting Corporation | Manufacturing | 619,920 | 0.18% |
| National Carton & Coating Co. | Manufacturing | 605,710 | 0.18% |
| K-Mart Corporation | Retail | 578,620 | 0.17% |
| Brown Publishing Co. | Newspaper | 511,830 | 0.15% |
| Total | | <u>\$ 18,335,815</u> | <u>5.34%</u> |

Source: Greene County Auditor's Office

CITY OF XENIA, OHIO

SUMMARY OF INSURANCE COVERAGE

DECEMBER 31, 2003

Ohio Government Risk Management Plan (Swartzel Affiliated Insurance Service): General liability limit is \$5,000,000 each occurrence with \$7,000,000 aggregate. Employers liability coverage (Ohio Stop Gap) is \$5,000,000 bodily injury by accident or disease with a \$5,000,000 bodily injury by accident aggregate. Employee benefits liability coverage is the municipal errors and omissions liability endorsement. Law enforcement officers liability coverage is \$5,000,000 each wrongful act, \$7,000,000 aggregate with a \$10,000 deductible. Public Officials liability coverage is \$5,000,000 each wrongful act, \$7,000,000 aggregate with a \$10,000 deductible. This Plan also has automobile coverage with bodily injury liability, uninsured motorist insurance and medical payments. There is property coverage; an inland marine provision for \$1,821,904 with a \$10,000 limit on fire equipment (any one item \$5,000 or less) and \$35,000 limit on other items (any one item \$5,000 or less) with a \$1,000 deductible; electronic equipment/media coverage with a \$1,000 deductible; crime coverage; and equipment breakdown coverage for boilers or other pressurized vessels.

CITY OF XENIA, OHIO

MISCELLANEOUS STATISTICS

DECEMBER 31, 2003

| | |
|--|--|
| Date of Incorporation | 1817; became City in 1834 |
| Form of government | Council/Manager |
| Area | 12 square miles |
| Miles of streets | 115 |
| Number of street lights (non-special assessment) | 1,753 |
| Fire protection: | |
| Number of stations | 2 |
| Number of firefighters and officers | 41 |
| Police protection: | |
| Number of stations (plus 2 sub-stations) | 1 |
| Number of police officers | 45 |
| Education: | |
| High Schools | 1 |
| Middle Schools | 2 |
| Elementary Schools | 7 |
| Number of students | 5,137 |
| Municipal Water Department: | |
| Number of consumers | 10,346 |
| Average daily Consumption | 3.9 million gallons per day (mgd) |
| Water plant capacity | 8.0 mgd |
| Miles of water mains | 141 miles |
| Sanitary Sewer Department: | |
| Number of consumers | 10,184 |
| Average daily Consumption | 4.7 million gallons per day (mgd) |
| Sewer plant capacity | 7.6 mgd |
| Miles of sewer mains | 146 miles |
| Recreation and culture: | |
| Parks | 11 with 122 acres |
| Libraries | 1 |
| Employees: | |
| Classified service | 197 |
| Exempt | 22 |
| Web address | www.ci.xenia.oh.us |

CITY OF XENIA, OHIO



**CITY OF XENIA, OHIO
GREENE COUNTY**

Reports Issued Pursuant to

Government Auditing Standards
and
OMB Circular A-133

For the year ended December 31, 2003

**CITY OF XENIA, OHIO
GREENE COUNTY**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROLS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

We have audited the accompanying financial statements of the City of Xenia, Greene County, Ohio (the City) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*. We noted one immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated June 30, 2004.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 30, 2004.

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

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
June 30, 2004



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS**

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

Compliance

We have audited the compliance of The City of Xenia, Greene County, Ohio (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City as of and for the year ended December 31, 2003, and have issued our report thereon dated June 30, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates
June 30, 2004

CITY OF XENIA, OHIO
GREENE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2003

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|---|---------------------------------|
| <u>U.S. DEPARTMENT OF HUD</u> | | | |
| <i>Pass-through State Department of Development:</i> | | | |
| Community Development Block Grant -Formula Program | 14.228 | A-F-02-203-1 | 148,500 |
| <u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u> | | | |
| <i>Pass-through Miami Valley Urban Search and Rescue Task Force</i> | | | |
| Space Shuttle Search and Rescue Task Force | 83.544 | * | 18,298 |
| <i>Pass-through Ohio Emergency Management Agency:</i> | | | |
| FEMA Grant | 83.544 | FEMA-1453-DR-057-86772 | 43,741 |
| Hazard Mitigation Grant | 83.548 | FEMA-DR-1343-OH | 32,423 |
| Project Impact | 83.551 | 2001-GR-0032.02 | 175,496 |
| Total Federal Emergency Management Agency | | | <u>269,958</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| <i>Pass-through Governor's Highway Safety Office:</i> | | | |
| Highway Planning and Construction | 20.205 | GRE-US68-8.97 | 293,047 |
| State and Community Highway Safety | 20.600 | 3197.0 | 8,225 |
| Safety Incentive Grants for Use of Seatbelts | 20.604 | * | 796 |
| Total U.S. Department of Transportation | | | <u>302,068</u> |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Missing Children's Assistance | 16.543 | 2002-RG-CX-K-003 | 97,241 |
| Local Law Enforcement Block Grants Program | 16.592 | 96-LB-VX-1459 | 12,513 |
| <i>Pass-through Ohio Office of Justice Programs:</i> | | | |
| Crime Victim Assistance | 16.575 | 2003VAGENE538 | 41,764 |
| Byrne Formula Grant Program | 16.579 | 2001-DG-H01-7628 | 18,190 |
| Violence Against Women Formula Grant | 16.588 | 2002-WF-VA2-8308 | 50,000 |
| Total U.S. Department of Justice | | | <u>219,708</u> |
| Total Federal Awards Expenditures | | | <u>\$ 940,234</u> |

* Information not available

The accompanying notes are an integral part of this schedule.

**CITY OF XENIA, OHIO
GREENE COUNTY**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2003

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the City of Xenia, Ohio (City) as the primary government. The Schedule is presented on the cash basis of accounting in which revenues are recognized when received and expenses are recognized when paid. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule.

Note 2. Matching Requirements

Certain federal programs require that the City contribute non-federal funds (matching funds) to support the federally-funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule. Cash receipts from the federal agency are commingled with the City funds. It was assumed federal money was expended first.

Note 3. Loans Outstanding

The City of Xenia had the following loan balances outstanding at December 31, 2003:

| <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Amount Outstanding</u> |
|-----------------------------------|----------------------------|---------------------------|
| Community Development Block Grant | 14.228 | \$597,272 |

**CITY OF XENIA, OHIO
GREENE COUNTY**

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

DECEMBER 31, 2003

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|--------------|--|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under § .510(a) of Circular A-133? | No |
| (d)(1)(vii) | Major Programs (list): | Highway Planning and Construction CFDA # 20.205 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$300,000 Type B: All others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

CITY OF XENIA

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 5, 2004**