

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

GREENE COUNTY

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2007**

**Prepared by:  
Department of Finance**

**Mark A. Bazalak  
Finance Director**

**Ryan Duke  
Assistant Finance Director**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Xenia, Greene County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 13, 2008

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CITY OF XENIA  
GREENE COUNTY, OHIO

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# Department of Finance

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

June 30, 2008

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, 2007 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Xenia's financial activities have been included.

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

If \$500,000 or more in federal awards is expended in the fiscal year, the City of Xenia is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments" The City's expenditures of federal awards did not meet these criteria in 2007; therefore a single audit was not performed.

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

- v -

*City of Hospitality*

An Equal Opportunity Employer

***Letter of Transmittal  
For the Year Ended December 31, 2007***

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**MAJOR INITIATIVES**

**For the Year**

The City has continued to establish and work towards clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and City Staff. The goal and objective setting process drives the organization. It is a continuous cycle of reviewing short and long-term goals, setting goals and objectives, evaluating the results, and reassessing short and long-term goals and their priority. In preparing the 2007 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:

- Completed the engineering for the upgrade of the city traffic signalization system.
- Continued the installation of new financial software.
- Completed the upgrade of the City website.
- Completed the installation of a Voice Over IP phone system.
- Completed the resurfacing of State Route 380
- Completed the reconstruction of South Galloway Street.
- Began implementation of the Comprehensive Housing Improvement Program (CHIP) grant.
- Completed the reconstruction of West Church Street including street, water, and sewer improvements.
- Annexed 391.614 acres of land in the Southwest Quadrant for future growth.
- Completed the South King Street storm sewer replacement.
- Continued the sand filter under drain and media replacement project at the Water Treatment Plant.
- Began implementation of Automated Meter reading to allow monthly reading of water meters.
- Began the development of a Wastewater Treatment Plant master plan
- Continued the multiyear program of slip lining old and deteriorated sewer mains

***Letter of Transmittal  
For the Year Ended December 31, 2007***

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**For the Future**

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

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

The City has continued an aggressive program to improve and increase services and to repair, replace and expand its public facilities, streets and utilities systems. The utilization of the State's Issue 2 and Local Transportation Improvement Program has helped fund eighteen (18) such projects totaling \$5,345,472 since their inception.

The major projects planned for 2008 are to complete the upgrade of the City traffic signalization system; complete the installation of new financial software; replace the HVAC system for City Hall; complete the reconstruction of East Church Street; complete the preliminary engineering design for the West Main Street Enhancement Project; continue the implementation of the Comprehensive Housing Improvement Program; complete the design and installation of a Programmable Logic Control System for the Water Plant; complete the Diking Project for the Water Plant; complete the design and build of the Garcia Drive Pump Station; and begin installation of a new Countywide Records Management and Computer Aided Dispatch System for the Police Department. In the area of economic development, the City of Xenia will continue to provide financial and marketing assistance to promote retention and expansion of existing businesses and to attract new business. In the area of commercial development the Progress Center with Lowe's and the Wal-Mart Super Center opened in 2006. This site continues to develop, expanding the tax base of the community, and enhancing the quality of services to the citizens. 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 real and personal property taxes, all the economic development tools and resources are in place for the future. The City is optimistic that the investment made in its infrastructure and economic development program will continue to increase its economic base and quality of life for its citizens.

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

***Letter of Transmittal  
For the Year Ended December 31, 2007***

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In conjunction with the H-Connector project, the City acquired approximately seven acres of railroad property in southern Xenia adjacent to the Little Miami Scenic Trail bikeway and constructed the “Xenia Station” bicycle transportation hub, a replica railway telegraph office, which opened in May of 1998. The construction of the Little Miami Scenic Trail bikeway from Hedges Road to the Xenia Station site was completed in June 1997 and the construction of the H-Connector bikeway from the Little Miami Scenic Trail to the Mad River bikeway was completed in the fall of 1997. During 2006 the City was notified that the state had awarded funding for the completion of the Jamestown Connector Project. This project will consist of a tunnel under U.S. 35, installation of an asphalt bike path from the tunnel to the hub at Xenia Station, and construction of a pedestrian bridge over Detroit Street and Home Avenue. This project is scheduled for construction in 2009-2010. These sites provide recreation to the citizens of Xenia and have attracted many biking and hiking enthusiasts from outside the Xenia area, which will continue to bolster the local economy into future years.

**FINANCIAL INFORMATION**

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

**Single Audit**

As a recipient of federal and state financial assistance, the city is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation and internal audit by City management. As stated previously a single audit was not required for the City of Xenia for the year ended December 31, 2007. The City does however implement internal controls to ensure that laws and regulations related to these programs are followed.

**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.

***Letter of Transmittal  
For the Year Ended December 31, 2007***

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**Cash Management**

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

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

	<u>2007</u>	<u>2006</u>
Average Monthly Investment	\$14,142,100	\$13,147,852
Average Yield	4.4%	3.0%
Total Investment Earnings	\$615,118	\$385,643

The average yield is a calculated percentage of total investment earnings to average monthly investments. The increase in investment earnings is \$229,475 or 59.5% higher than 2006 because of high interest rates and a larger average investment balance.

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

**Risk Management**

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

**OTHER INFORMATION**

**Independent Audit**

State statutes require an annual audit by the State Auditor's Office or, at the State Auditor's discretion, an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Kennedy Cottrell Richards. to perform the 2007 audit of the City. The auditors' unqualified opinion is included in the Financial Section of this report.

***Letter of Transmittal  
For the Year Ended December 31, 2007***

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**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, 2006. This was the twenty-fourth consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

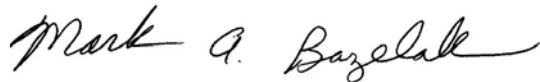
A Certificate of Achievement is valid for a period of only one year. We believe our current report will also conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments**

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

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

Respectfully submitted,



Mark A. Bazalak  
Finance Director



***List of Principal Officials  
For the Year Ended December 31, 2007***

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**CITY COUNCIL**

Patricia L. Felton	President
William R. (Bill) Miller	Vice President
Phyllis A. Pennewitt	Mayor
Dr. Lee G. Esprit, Jr.	
Jeanne Mills	
Michael Engle	
Dennis Propes	

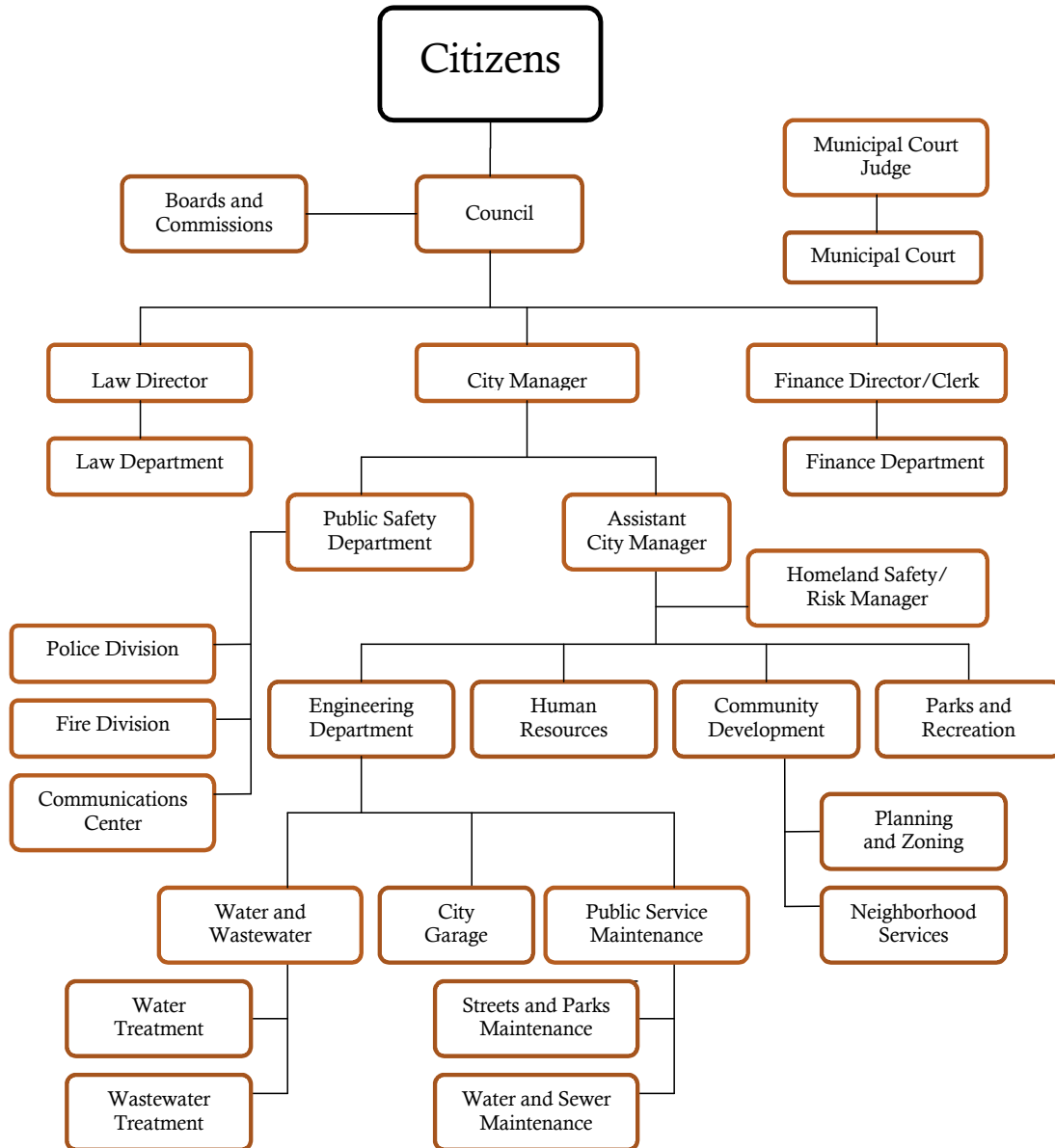
**APPOINTED OFFICIALS**

Ronald C. Lewis	Law Director
Mark A. Bazalak	Finance Director
Kenneth G. Johnson	City Manager

**DEPARTMENT OF FINANCE STAFF**

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

**City Organizational Chart  
For the Year Ended December 31, 2007**



**Commissions**

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

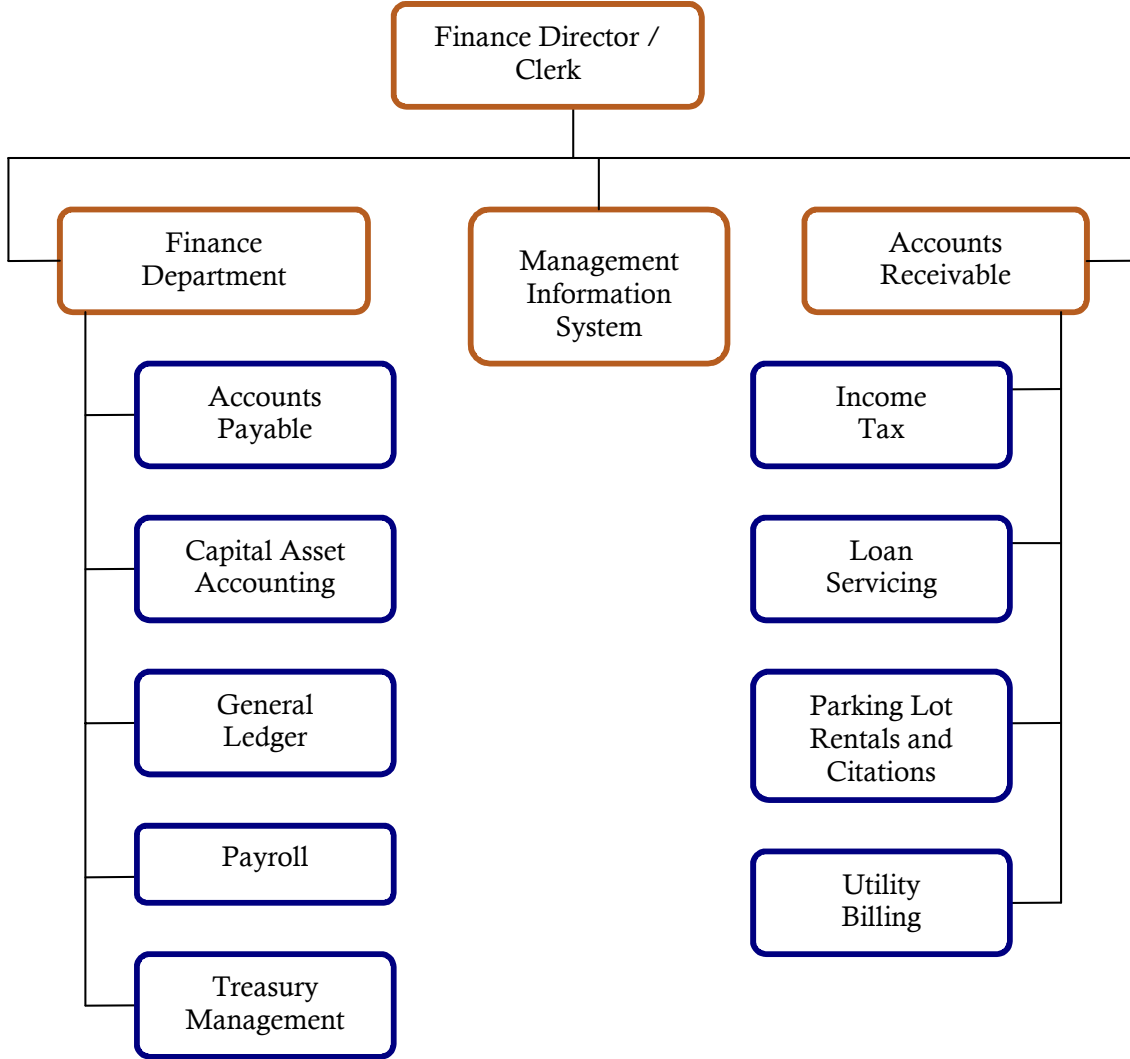
**Boards**

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

Xenia Economic Growth Corporation

*Finance Department Organizational Chart  
For the Year Ended December 31, 2007*

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

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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, 2006

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.



*Charles S. Cox*

President

*Jeffrey R. Emmer*

Executive Director

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Xenia, Ohio

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, 2007, 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, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and State Gas and Vehicle License Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2008 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are 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 budgetary comparison schedules, 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 and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory 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.

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC  
June 30, 2008

***Management's Discussion and Analysis***

***For the Year Ended December 31, 2007***

***Unaudited***

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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, 2007. 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 2007 are as follows:**

The total change in the net assets of Xenia City was \$1,140,120. Net assets of governmental activities decreased \$5,278,220, which represents an 11.9% decrease from 2006. Net assets of business-type activities increased by \$6,418,340 or 32.4% from 2006.

General revenues accounted for \$14.5 million or 51.6% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$13.6 million or 48.4% of total revenues of \$28.1 million

The total assets of governmental activities decreased by \$5,249,286 as a result of capital assets related to stormwater being transferred to a business type fund created in 2007. Current and other assets increased \$161,356.

The City had \$18.1 million in expenses related to governmental activities; \$3.9 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14.5 million provided additional support for these programs.

The general fund had \$15.5 million in revenues, \$14.5 million in expenditures and transfers to other funds of \$1.2 million. The general fund balance decreased \$162,211 to \$3,431,481.

The net assets for business-type activities increased \$6,418,340 as capital assets were transferred from governmental activities to the stormwater fund. An increase in utility rates also helped by boosting the charges for services provided.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

***Management's Discussion and Analysis***

***For the Year Ended December 31, 2007***

***Unaudited***

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

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

***Government-wide Financial Statements***

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

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

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

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

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

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

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

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

***Fund Financial Statements***

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



**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

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

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

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

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

The following table shows a comparison of net assets between 2006 and 2007.

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
		Restated		Restated		Restated
	2007	2006	2007	2006	2007	2006
Current and other assets	\$13,615,642	\$13,454,286	\$8,711,169	\$7,667,496	\$22,326,811	\$21,121,782
Capital assets, net	32,544,738	37,955,380	27,489,052	20,759,250	60,033,790	58,714,630
Total assets	46,160,380	51,409,666	36,200,221	28,426,746	82,360,601	79,836,412
Long-term debt outstanding	4,214,790	4,366,391	9,228,801	8,015,918	13,443,591	12,382,309
Other liabilities	2,966,644	2,786,109	712,885	570,633	3,679,529	3,356,742
Total liabilities	7,181,434	7,152,500	9,941,686	8,586,551	17,123,120	15,739,051
Net assets						
Invested in capital assets						
net of related debt	29,833,471	35,003,477	19,755,819	14,301,518	49,589,290	49,304,995
Restricted	5,272,948	4,946,554	0	0	5,272,948	4,946,554
Unrestricted	3,872,527	4,307,135	6,502,716	5,538,677	10,375,243	9,845,812
Total net assets	\$38,978,946	\$44,257,166	\$26,258,535	\$19,840,195	\$65,237,481	\$64,097,361

**CITY OF XENIA, OHIO**

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

Change in Net Assets – The following table shows the changes in net assets for the fiscal year 2007 compared to 2006.

	Governmental Activities	Governmental Activities Restated	Business-type Activities	Business-type Activities Restated	Total	Total
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services and sales	\$3,107,598	\$3,351,982	\$9,320,687	\$8,091,183	\$12,428,285	\$11,443,165
Operating grants and contributions	266,159	233,068	0	0	266,159	233,068
Capital grants and contributions	533,226	1,106,413	353,157	846,543	886,383	1,952,956
<b>General Revenues:</b>						
Income taxes	8,786,104	8,604,274	0	0	8,786,104	8,604,274
Other local taxes	1,619,664	1,814,053	0	0	1,619,664	1,814,053
Motor vehicle and gasoline taxes	1,369,889	1,287,033	0	0	1,369,889	1,287,033
Intergovernmental, unrestricted	1,994,721	2,185,128	0	0	1,994,721	2,185,128
Investment earnings	402,797	261,523	0	0	402,797	261,523
Miscellaneous	302,915	302,904	0	0	302,915	302,904
Total revenues	<u>18,383,073</u>	<u>19,146,378</u>	<u>9,673,844</u>	<u>8,937,726</u>	<u>28,056,917</u>	<u>28,084,104</u>
<b>Expenses</b>						
<b>Program Expenses</b>						
General government	3,609,339	3,591,944	0	0	3,609,339	3,591,944
Public safety	11,119,299	10,948,875	0	0	11,119,299	10,948,875
Health	63,718	66,181	0	0	63,718	66,181
Highways and streets	2,284,521	1,854,523	0	0	2,284,521	1,854,523
Community development	345,551	305,886	0	0	345,551	305,886
Recreation	521,131	453,440	0	0	521,131	453,440
<b>Debt service:</b>						
Interest and fiscal charges	134,336	132,606	0	0	134,336	132,606
Water	0	0	2,688,400	2,700,478	2,688,400	2,700,478
Sewer	0	0	3,968,134	3,769,874	3,968,134	3,769,874
Sanitation	0	0	1,711,596	1,555,636	1,711,596	1,555,636
Storm Water	0	0	140,479	0	140,479	0
Other enterprise funds	0	0	330,293	162,529	330,293	162,529
Total expenses	<u>18,077,895</u>	<u>17,353,455</u>	<u>8,838,902</u>	<u>8,188,517</u>	<u>26,916,797</u>	<u>25,541,972</u>
<b>Total change in net assets</b>						
before transfers	305,178	1,792,923	834,942	749,209	1,140,120	2,542,132
Transfers	(5,583,398)	(50,000)	5,583,398	50,000	0	0
Total change in net assets	<u>(5,278,220)</u>	<u>1,742,923</u>	<u>6,418,340</u>	<u>799,209</u>	<u>1,140,120</u>	<u>2,542,132</u>
Beginning net assets	44,257,166	42,514,243	19,840,195	19,040,986	64,097,361	61,555,229
Ending net assets	<u>\$38,978,946</u>	<u>\$44,257,166</u>	<u>\$26,258,535</u>	<u>\$19,840,195</u>	<u>\$65,237,481</u>	<u>\$64,097,361</u>

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

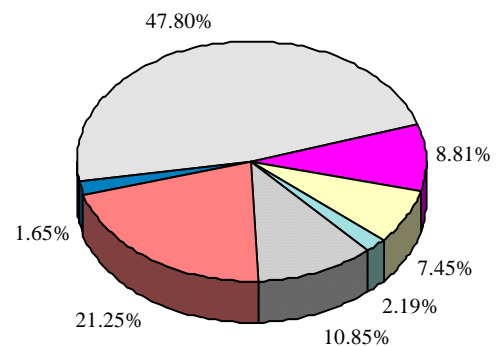
**Governmental Activities**

Net assets of the City's governmental activities decreased by \$5,278,220. This decrease is primarily due to a large transfer of capital assets from the governmental activities to the Storm Water Fund.

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 8.81% and 47.80% respectively of revenues for governmental activities for the City in fiscal year 2007. The City's reliance upon tax revenues is demonstrated by the following graph indicating 64.06% of total revenues from general tax revenues.

Revenue Sources	2007	Percent of Total
Municipal income taxes	\$8,786,104	47.80%
Other local taxes	1,619,664	8.81%
Motor vehicle and gas taxes	1,369,889	7.45%
Investment earnings	402,797	2.19%
Intergovernmental, unrestricted	1,994,721	10.85%
Program revenues	3,906,983	21.25%
Miscellaneous	302,915	1.65%
<b>Total Revenue</b>	<b>\$18,383,073</b>	<b>100.00%</b>



**Business-Type Activities**

Net assets of the business-type activities increased \$6,418,340. This increase was due mainly to the transfer of capital assets to the Storm Water Fund from governmental activities.

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

The City's governmental funds reported a combined fund balance of \$8,273,869 which is an increase from last year's balance of \$7,916,196. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2007 and 2006:

	Fund Balance December 31, 2007	Fund Balance December 31, 2006	Increase (Decrease)
General	\$3,431,481	\$3,593,692	(\$162,211)
State Gas and Vehicle License	337,270	298,891	38,379
Capital Improvements	2,038,971	2,134,419	(95,448)
Other Governmental	2,466,147	1,889,194	576,953
<b>Total</b>	<b>\$8,273,869</b>	<b>\$7,916,196</b>	<b>\$357,673</b>

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

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*General Fund – Revenues:* General Fund revenues in 2007 increased approximately 3.45% compared to revenues in fiscal year 2006 as shown in the chart below. The two primary reasons for this increase were increases in both municipal income tax collections as well as interest earnings.

	2007 <u>Revenues</u>	2006 <u>Revenues</u>	Increase <u>(Decrease)</u>
Municipal income taxes	\$8,764,208	\$8,396,732	\$367,476
Other local taxes	1,486,567	1,444,619	41,948
State shared taxes and permits	2,043,154	2,053,798	(10,644)
Intergovernmental grants	200,787	122,706	78,081
Charges for services	1,563,080	1,605,207	(42,127)
Fines, costs, forfeitures, licenses and permits	1,018,153	1,049,888	(31,735)
Miscellaneous receipts including interest earnings	411,838	298,627	113,211
Total	<u>\$15,487,787</u>	<u>\$14,971,577</u>	<u>\$516,210</u>

*General Fund – Expenditures:* General Fund expenditures increased \$358,823 or 2.5% over the prior year. This is overall due to personnel changes and pay increases.

	2007 <u>Expenditures</u>	2006 <u>Expenditures</u>	Increase <u>(Decrease)</u>
General government	\$2,841,057	\$2,827,402	\$13,655
Public safety	10,581,378	10,289,961	291,417
Health	60,524	62,507	(1,983)
Highways and streets	262,830	272,067	(9,237)
Community development	331,927	289,074	42,853
Recreation	375,246	353,128	22,118
Total	<u>\$14,452,962</u>	<u>\$14,094,139</u>	<u>\$358,823</u>

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

For the General Fund, final budget basis revenue of \$16.4 million did not significantly change over the original budget estimates of \$15.6 million. The General Fund had an adequate fund balance to cover expenditures.

**CITY OF XENIA, OHIO**

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**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

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*Capital Improvement Fund* – The City's General Capital Improvement Fund revenues decreased by \$270,350 or 39.5% under 2006. The decrease is directly related to a federal grant received for an addition to the City's Main Street fire station in 2006.

	2007	2006	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Other Local Taxes	\$44,367	\$57,889	(\$13,522)
Intergovernmental Grants	0	307,930	(307,930)
Charges for Services	11,235	9,407	1,828
Miscellaneous Receipts including interest earnings	358,639	309,365	49,274
	<u>\$414,241</u>	<u>\$684,591</u>	<u>(\$270,350)</u>

Capital improvement fund expenditures decreased by 41.9% under the prior year due to the addition to the City's Main Street fire station in 2006.

	2007	2006	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Capital Outlay	\$1,026,677	\$2,129,242	(\$1,102,565)
Debt Service:			
Principal retirement	283,625	202,321	81,304
Interest & Fiscal Charges	70,306	46,093	24,213
	<u>\$1,380,608</u>	<u>\$2,377,656</u>	<u>(\$997,048)</u>

The primary funding for the capital improvements fund comes from intergovernmental grants, interest earnings, and transfers. A transfer is made into the capital improvement fund at year-end when possible based on financial policy. This transfer is made from the general fund into the capital improvements fund to the extent the balance in the key operating funds (general fund and state gas and vehicle license fund) exceeds two months of operating reserves (the city's reserve requirement). At the end of 2007 the City was able to make a transfer of \$830,000 from the general fund to the capital improvements fund. This transfer has improved the fund balance but the City will still need to pay close attention to the revenue stream when deciding to fund capital improvement projects in the future.

**CITY OF XENIA, OHIO**

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

*Enterprise Funds* – The City's enterprise funds reported a net assets balance of \$26,198,154 which is an increase from last year's balance of \$19,782,121. The schedule below indicates the net assets balance and the total change in net assets by activity as of December 31, 2007 and 2006.

	Net Assets Balance December 31, 2007	Restated Net Assets Balance December 31, 2006	Increase (Decrease)
Water	\$10,157,530	\$9,458,440	\$699,090
Sewer	9,496,793	9,331,655	165,138
Sanitation	20,065	(33,084)	53,149
Storm Water	5,392,485	0	5,392,485
Other Enterprise	1,131,281	1,025,110	106,171
<b>Total</b>	<b>\$26,198,154</b>	<b>\$19,782,121</b>	<b>\$6,416,033</b>

The major changes in enterprise fund net assets occurred in the water and stormwater funds. Water increased \$699,090 while stormwater increased by \$5,392,485. Both the water and sewer net asset balances increased due to higher rates resulting in larger operating revenues. The expenses remained relatively consistent. The stormwater fund was created in 2007 and was transferred a large quantity of capital assets from governmental activities.

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

	Water			Sewer		
	2007	2006	Increase (Decrease)	2007	2006	Increase (Decrease)
Operating Revenues	\$3,005,803	\$2,639,668	\$366,135	\$3,944,635	\$3,383,897	\$560,738
Non-Operating Revenues	213,431	149,444	63,987	170,300	152,953	17,347
<b>Total</b>	<b>\$3,219,234</b>	<b>\$2,789,112</b>	<b>\$430,122</b>	<b>\$4,114,935</b>	<b>\$3,536,850</b>	<b>\$578,085</b>
Operating Expenses	\$2,671,529	\$2,701,194	(\$29,665)	\$3,772,079	\$3,577,725	\$194,354
Non-Operating Expenses	18,974	0	18,974	197,603	192,830	4,773
<b>Total</b>	<b>\$2,690,503</b>	<b>\$2,701,194</b>	<b>(\$10,691)</b>	<b>\$3,969,682</b>	<b>\$3,770,555</b>	<b>\$199,127</b>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was a \$1,821,105 increase in appropriations between the original and final amended budget. The main component of this increase is a \$1,046,221 supplemental appropriation to transfer funds over the reserve requirement to the general capital improvements fund for future capital purchases.

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2007 the City had \$60,033,790 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$32,544,738 was related to governmental activities, and \$27,489,052 was related to business-type activities. The following tables shows fiscal year 2007 and 2006 balances:

	Governmental Activities		Increase (Decrease)
	2007	Restated 2006	
	Land	\$15,737,177	
Land Improvements	1,123,088	1,123,088	0
Buildings	5,948,254	5,948,254	0
Equipment	7,269,297	14,692,014	(7,422,717)
Infrastructure	13,256,760	12,826,030	430,730
Construction In Progress	120,618	549,128	(428,510)
Less: Accumulated Depreciation	(10,910,456)	(12,920,311)	2,009,855
<b>Total</b>	<b>\$32,544,738</b>	<b>\$37,955,380</b>	<b>(\$5,410,642)</b>

	Business-Type Activities		Increase (Decrease)
	2007	Restated 2006	
	Land	\$484,280	
Land Improvements	359,016	351,517	7,499
Buildings	8,277,811	8,277,811	0
Equipment	46,024,455	37,265,484	8,758,971
Construction In Progress	2,086,982	130,266	1,956,716
Less: Accumulated Depreciation	(29,743,492)	(25,752,891)	(3,990,601)
<b>Total</b>	<b>\$27,489,052</b>	<b>\$20,756,467</b>	<b>\$6,732,585</b>

Decreases in governmental activities capital assets were due to transfers of storm sewers from governmental activities to the newly created Storm Water Fund. The large increase in asset value in Business-type activities was due to the same transfer of assets.

Additional information on the City's capital assets can be found in Note 9.

**Management's Discussion and Analysis**

**For the Year Ended December 31, 2007**

**Unaudited**

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**Debt**

At December 31, 2007 the City had \$1.065 million in bonds outstanding, \$60,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Governmental Activities:		
General Obligation Bonds	\$1,065,000	\$1,120,000
Capital Leases Payable	1,646,267	1,831,903
Compensated Absences	<u>1,503,523</u>	<u>1,414,488</u>
Total Governmental Activities	4,214,790	4,366,391
Business-Type Activities:		
Landfill Liability	1,073,360	1,136,309
Compensated Absences	422,208	423,293
Capital Leases Payable	1,782,755	0
Loans Payable	<u>5,950,478</u>	<u>6,456,316</u>
Total Business-Type Activities	<u>9,228,801</u>	<u>8,015,918</u>
	<u>\$13,443,591</u>	<u>\$12,382,309</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, 2007, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 11, 12, and 13.

**ECONOMIC FACTORS**

In 2006 a Lowes and Wal-Mart Supercenter opened in the progress center. An Applebee's was added to the budding area in 2007. National City Bank, Sonic, and many other businesses are being attracted to the new development. In addition, the water and sewer utilities along with the main entrance road have been designed and engineered to serve the 277 plus acres of undeveloped land that was annexed to the City in 2001 for future commercial/industrial development. State funding has been approved to assist in financing the construction of infrastructure for the newly annexed land. The City annexed another 391 acres in 2007 for future residential development. There are currently twenty two (22) approved single family and condominium residential housing projects in various stages of development in Xenia. These projects have added 1427 single family and condominium units to the City's housing stock and will add another 2,504 units at completion. This growth will continue to increase the City's property tax and income tax base. The community currently has a 6.2 percent unemployment rate compared to a county rate of 5.4 percent, a statewide rate of 5.8 percent, and a national average of 4.8 percent.

**REQUESTS FOR INFORMATION**

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





**CITY OF XENIA, OHIO**

**Statement of Net Assets  
December 31, 2007**

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>XEGC</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,592,921	\$ 1,037,489	\$ 2,630,410	\$ 493,853
Cash with fiscal agent	321,986	171,730	493,716	0
Investments	5,316,210	5,521,363	10,837,573	175,000
Receivables:				
Taxes, including interest, penalties and liens	3,810,971	0	3,810,971	0
Intergovernmental	1,655,232	0	1,655,232	0
Accounts	700,026	1,172,928	1,872,954	0
Special assessments, including liens	101,043	11,217	112,260	0
Loans	0	320,474	320,474	92,516
Accrued interest	93,530	87,064	180,594	1,792
Grants	36,638	212,102	248,740	0
Allowance for uncollectible accounts	(348,825)	(11,563)	(360,388)	0
Internal balances	60,549	(60,549)	0	0
Inventories	126,154	208,138	334,292	0
Prepaid items	149,207	40,776	189,983	4,076
Capital Assets not being depreciated	15,857,795	2,571,262	18,429,057	0
Capital Assets, net of accumulated depreciation	16,686,943	24,917,790	41,604,733	2,085
<b>Total Assets</b>	<b>46,160,380</b>	<b>36,200,221</b>	<b>82,360,601</b>	<b>769,322</b>
<b>Liabilities:</b>				
Accounts payable	153,388	458,882	612,270	1,034
Accrued payroll	1,002,395	216,055	1,218,450	9,348
Unearned revenue	1,779,102	0	1,779,102	0
Accrued interest payable	31,759	37,948	69,707	0
Long-term liabilities:				
Amounts due within one year	530,143	836,417	1,366,560	0
Amounts due in more than one year	3,684,647	8,392,384	12,077,031	0
<b>Total Liabilities</b>	<b>7,181,434</b>	<b>9,941,686</b>	<b>17,123,120</b>	<b>10,382</b>

**CITY OF XENIA, OHIO**

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	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>XEGC</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	29,833,471	19,755,819	49,589,290	2,085
Restricted for:				
Capital projects	2,648,517	0	2,648,517	0
Debt service	18,150	0	18,150	0
General government programs	675,921	0	675,921	0
Safety programs	571,663	0	571,663	0
Street construction/maintenance	1,356,423	0	1,356,423	0
Recreation	2,274	0	2,274	0
Unrestricted	<u>3,872,527</u>	<u>6,502,716</u>	<u>10,375,243</u>	<u>756,855</u>
<b>Total Net Assets</b>	<u>\$ 38,978,946</u>	<u>\$ 26,258,535</u>	<u>\$ 65,237,481</u>	<u>\$ 758,940</u>

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2007**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 3,609,339	\$ 1,365,697	\$ 196,123	\$ 0
Public safety	11,119,299	1,654,935	70,036	0
Health	63,718	27,585	0	0
Highways and streets	2,284,521	1,040	0	533,226
Community development	345,551	29,384	0	0
Recreation	521,131	28,957	0	0
Interest and fiscal charges	134,336	0	0	0
<b>Total Governmental Activities</b>	<b>18,077,895</b>	<b>3,107,598</b>	<b>266,159</b>	<b>533,226</b>
<b>Business-Type Activities:</b>				
Water	2,688,400	3,219,234	0	69,885
Sewer	3,968,134	4,114,935	0	19,885
Sanitation	1,711,596	1,763,401	0	0
Storm Water	140,479	131,161	0	0
Other enterprise funds	330,293	91,956	0	263,387
<b>Total Business-Type Activities</b>	<b>8,838,902</b>	<b>9,320,687</b>	<b>0</b>	<b>353,157</b>
<b>Total primary government</b>	<b>\$ 26,916,797</b>	<b>\$ 12,428,285</b>	<b>\$ 266,159</b>	<b>\$ 886,383</b>
<b>Component Unit:</b>				
XEGC	\$ 191,775	\$ 177,864	\$ 0	\$ 0
<b>General Revenues:</b>				
Income taxes				
Other local taxes				
Motor vehicle and gas taxes				
Intergovernmental, unrestricted				
Investment earnings				
Miscellaneous				
<b>Transfers</b>				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets Beginning of Year, As Restated				
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
\$ (2,047,519)	\$ 0	\$ (2,047,519)	
(9,394,328)	0	(9,394,328)	
(36,133)	0	(36,133)	
(1,750,255)	0	(1,750,255)	
(316,167)	0	(316,167)	
(492,174)	0	(492,174)	
(134,336)	0	(134,336)	
<u>(14,170,912)</u>	<u>0</u>	<u>(14,170,912)</u>	
0	600,719	600,719	
0	166,686	166,686	
0	51,805	51,805	
0	(9,318)	(9,318)	
0	25,050	25,050	
<u>0</u>	<u>834,942</u>	<u>834,942</u>	
<u>(14,170,912)</u>	<u>834,942</u>	<u>(13,335,970)</u>	
			\$ (13,911)
8,786,104	0	8,786,104	0
1,619,664	0	1,619,664	0
1,369,889	0	1,369,889	0
1,994,721	0	1,994,721	0
402,797	0	402,797	16,238
302,915	0	302,915	0
(5,583,398)	5,583,398	0	0
<u>8,892,692</u>	<u>5,583,398</u>	<u>14,476,090</u>	<u>16,238</u>
(5,278,220)	6,418,340	1,140,120	2,327
<u>44,257,166</u>	<u>19,840,195</u>	<u>64,097,361</u>	<u>756,613</u>
<u>\$ 38,978,946</u>	<u>\$ 26,258,535</u>	<u>\$ 65,237,481</u>	<u>\$ 758,940</u>

**CITY OF XENIA, OHIO**

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**Balance Sheet  
Governmental Funds  
December 31, 2007**

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	<u>General</u>	<u>State Gas and Vehicle License</u>	<u>Capital Improvements</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 913,363	\$ 19,854	\$ 314,299
Cash with fiscal agent	0	0	0
Investments	1,699,795	105,665	1,672,610
Receivables:			
Taxes, including interest, penalties and liens	3,552,943	0	1,729
Intergovernmental	881,289	527,912	0
Accounts	670,322	0	26,158
Special assessments, including liens	101,043	0	0
Accrued interest	0	1,513	69,196
Grants	17,127	0	0
Allowance for uncollectible accounts	(326,867)	0	(21,958)
Due from other funds	97,309	0	0
Inventories	13,175	74,004	0
Prepaid items	118,672	5,113	4,447
Advances to other funds	0	0	5,111
<b>Total Assets</b>	<b><u>\$ 7,738,171</u></b>	<b><u>\$ 734,061</u></b>	<b><u>\$ 2,071,592</u></b>
<b>Liabilities:</b>			
Accounts payable	\$ 91,311	\$ 21,521	\$ 15,769
Accrued payroll	934,557	45,780	0
Deferred revenue	3,280,822	329,490	16,852
<b>Total Liabilities</b>	<b><u>4,306,690</u></b>	<b><u>396,791</u></b>	<b><u>32,621</u></b>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	123,673	55,718	324,628
Inventories	13,175	74,004	0
Prepaid items	118,672	5,113	4,447
Advances to other funds	0	0	5,111
Debt service	0	0	0
Unreserved and undesignated in:			
General Fund	3,175,961	0	0
Special revenue funds	0	202,435	0
Capital projects funds	0	0	1,704,785
<b>Total Fund Balances</b>	<b><u>3,431,481</u></b>	<b><u>337,270</u></b>	<b><u>2,038,971</u></b>
<b>Total Liabilities and Funds Balances</b>	<b><u>\$ 7,738,171</u></b>	<b><u>\$ 734,061</u></b>	<b><u>\$ 2,071,592</u></b>

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 328,853	\$ 1,576,369
321,986	321,986
1,750,054	5,228,124
256,299	3,810,971
246,031	1,655,232
0	696,480
0	101,043
22,821	93,530
19,511	36,638
0	(348,825)
0	97,309
0	87,179
18,756	146,988
0	5,111
<u>\$ 2,964,311</u>	<u>\$ 13,508,135</u>
\$ 12,484	\$ 141,085
12,919	993,256
<u>472,761</u>	<u>4,099,925</u>
<u>498,164</u>	<u>5,234,266</u>
78,898	582,917
0	87,179
18,756	146,988
0	5,111
21,452	21,452
0	3,175,961
1,748,763	1,951,198
598,278	2,303,063
<u>2,466,147</u>	<u>8,273,869</u>
<u>\$ 2,964,311</u>	<u>\$ 13,508,135</u>

***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2007***

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<b>Total Governmental Fund Balances</b>	\$ 8,273,869
<b><i>Amounts reported for governmental activities in the statement of net assets are different because:</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	32,541,539
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,320,823
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(4,216,979)
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>59,694</u>
<b><i>Net Assets of Governmental Activities</i></b>	<u><u>\$ 38,978,946</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, 2007**

	General	State Gas and Vehicle License	Capital Improvements
<b>Revenues:</b>			
Municipal income tax	\$ 8,764,208	\$ 0	\$ 0
Other local taxes	1,486,567	0	44,367
State shared taxes and permits	2,043,154	987,879	0
Intergovernmental grants	200,787	0	0
Charges for services	1,563,080	1,000	11,235
Fines, costs, forfeitures, licenses and permits	1,018,153	0	0
Miscellaneous receipts and reimbursements, including interest	411,838	12,319	358,639
<b>Total Revenue</b>	<b>15,487,787</b>	<b>1,001,198</b>	<b>414,241</b>
<b>Expenditures:</b>			
Current:			
General government	2,841,057	0	0
Public safety	10,581,378	0	0
Health	60,524	0	0
Highways and streets	262,830	1,163,351	0
Community development	331,927	0	0
Recreation	375,246	0	0
Capital outlay	0	0	1,026,677
Debt service:			
Principal retirement	0	0	283,625
Interest & fiscal charges	0	0	70,306
<b>Total Expenditures</b>	<b>14,452,962</b>	<b>1,163,351</b>	<b>1,380,608</b>
Excess (deficiency) of revenues over expenditures	1,034,825	(162,153)	(966,367)
<b>Other financing sources (uses):</b>			
Capital leases initiated	0	0	40,919
Transfers in	0	189,000	830,000
Transfers out	(1,200,121)	0	0
<b>Total other financing sources (uses)</b>	<b>(1,200,121)</b>	<b>189,000</b>	<b>870,919</b>
Net change in fund balances	(165,296)	26,847	(95,448)
<b>Fund Balances at Beginning of Year</b>	<b>3,593,692</b>	<b>298,891</b>	<b>2,134,419</b>
Increase in inventory reserve	3,085	11,532	0
<b>Fund Balances End of Year</b>	<b>\$ 3,431,481</b>	<b>\$ 337,270</b>	<b>\$ 2,038,971</b>

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 8,764,208
255,876	1,786,810
521,701	3,552,734
607,288	808,075
0	1,575,315
202,670	1,220,823
<u>291,456</u>	<u>1,074,252</u>
<u>1,878,991</u>	<u>18,782,217</u>
466,877	3,307,934
57,292	10,638,670
0	60,524
180,285	1,606,466
0	331,927
10,983	386,229
624,486	1,651,163
62,430	346,055
<u>64,185</u>	<u>134,491</u>
<u>1,466,538</u>	<u>18,463,459</u>
412,453	318,758
64,500	105,419
100,000	1,119,000
<u>0</u>	<u>(1,200,121)</u>
<u>164,500</u>	<u>24,298</u>
576,953	343,056
1,889,194	7,916,196
<u>0</u>	<u>14,617</u>
<u>\$ 2,466,147</u>	<u>\$ 8,273,869</u>

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2007***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 343,056</b>
<b><i>Amounts reported for governmental activities in the statement of activities are different because</i></b>	
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.	174,590
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets.	(81,662)
Governmental funds do not report amounts related to the transfer of capital assets from governmental activities to business type activities. This is the amount of the transfer out recorded in conjunction with this transaction.	(5,502,277)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(399,144)
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.	346,055
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.	(105,419)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	155
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.	(71,097)
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>17,523</u>
<b><i>Change in Net Assets of Governmental Activities</i></b>	<b><u><u>\$ (5,278,220)</u></u></b>

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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 8,925,190	\$ 8,925,190	\$ 8,996,570	\$ 71,380
Other Local Taxes	1,446,795	1,437,911	1,486,567	48,656
State Shared Taxes and Permits	2,046,351	2,046,351	2,081,349	34,998
Intergovernmental Grants	139,222	139,222	202,746	63,524
Charges for Services	1,634,885	1,634,885	1,543,365	(91,520)
Fines, Costs, Forfeitures, Licenses and Permits	1,087,851	1,087,851	1,018,229	(69,622)
Miscellaneous Receipts and Reimbursements, including Interest	352,007	352,007	385,448	33,441
Total Revenues	<u>15,632,301</u>	<u>15,623,417</u>	<u>15,714,274</u>	<u>90,857</u>
<b>Expenditures:</b>				
Current:				
General Government	3,136,604	3,154,218	2,956,162	198,056
Public Safety	10,980,863	10,978,549	10,580,062	398,487
Health	77,208	77,373	61,218	16,155
Highways and Streets	270,000	270,000	262,100	7,900
Community Development	394,671	396,295	337,137	59,158
Recreation	429,287	434,142	399,307	34,835
Total Expenditures	<u>15,288,633</u>	<u>15,310,577</u>	<u>14,595,986</u>	<u>714,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	343,668	312,840	1,118,288	805,448
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(223,900)	(1,270,121)	(1,200,121)	70,000
Advances In	0	752,940	0	(752,940)
Advances Out	0	(752,940)	(97,309)	655,631
Total Other Financing Sources (Uses):	<u>(223,900)</u>	<u>(1,270,121)</u>	<u>(1,297,430)</u>	<u>(27,309)</u>
Net Change in Fund Balance	119,768	(957,281)	(179,142)	778,139
Fund Balance at Beginning of Year	2,447,774	2,447,774	2,447,774	0
Prior Year Encumbrances	119,187	119,187	119,187	0
Fund Balance at End of Year	<u>\$ 2,686,729</u>	<u>\$ 1,609,680</u>	<u>\$ 2,387,819</u>	<u>\$ 778,139</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 1,011,000	\$ 1,011,000	\$ 984,060	\$ (26,940)
Charges for Services	1,000	1,000	1,000	0
Miscellaneous Receipts and Reimbursements, including Interest	1,900	1,900	11,147	9,247
Total Revenues	<u>1,013,900</u>	<u>1,013,900</u>	<u>996,207</u>	<u>(17,693)</u>
<b>Expenditures:</b>				
Current:				
Highways and Streets	<u>1,190,125</u>	<u>1,235,916</u>	<u>1,207,336</u>	<u>28,580</u>
Total Expenditures	<u>1,190,125</u>	<u>1,235,916</u>	<u>1,207,336</u>	<u>28,580</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,225)	(222,016)	(211,129)	10,887
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>0</u>
Net Change in Fund Balance	12,775	(33,016)	(22,129)	10,887
Fund Balance at Beginning of Year	57,937	57,937	57,937	0
Prior Year Encumbrances	<u>33,198</u>	<u>33,198</u>	<u>33,198</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 103,910</u>	<u>\$ 58,119</u>	<u>\$ 69,006</u>	<u>\$ 10,887</u>

See accompanying notes to the basic financial statements



**CITY OF XENIA, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2007**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Sanitation</b>	<b>Storm Sewer</b>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 451,437	\$ 300,824	\$ 181,295	\$ 16,639
Cash with fiscal agent	85,734	85,996	0	0
Investments	2,402,413	1,600,896	964,798	88,542
<b>Receivables:</b>				
Accounts	411,715	698,607	36,646	25,256
Special assessments, including liens	0	0	0	0
Loans	0	0	0	0
Accrued interest	37,825	26,331	15,419	733
Grants	0	0	0	0
Allowance for uncollectible accounts	(3,523)	(5,328)	(2,703)	(9)
Inventories	180,227	27,911	0	0
Prepaid items	16,885	19,969	3,515	0
<b>Total Current Assets</b>	<b>3,582,713</b>	<b>2,755,206</b>	<b>1,198,970</b>	<b>131,161</b>
<b>Noncurrent Assets:</b>				
<b>Unrestricted:</b>				
Loans receivable (net of current)	0	0	0	0
Capital assets not being depreciated	1,307,877	1,069,730	6,560	0
Capital Assets (net of accumulated depreciation)	6,551,374	12,910,741	118,844	5,262,546
<b>Total Noncurrent Assets</b>	<b>7,859,251</b>	<b>13,980,471</b>	<b>125,404</b>	<b>5,262,546</b>
<b>Total Assets</b>	<b>11,441,964</b>	<b>16,735,677</b>	<b>1,324,374</b>	<b>5,393,707</b>



**CITY OF XENIA, OHIO**

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<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 81,705	\$ 1,031,900	\$ 22,160
0	171,730	0
434,810	5,491,459	117,930
704	1,172,928	3,546
11,217	11,217	0
46,926	46,926	0
6,756	87,064	0
212,102	212,102	0
0	(11,563)	0
0	208,138	38,975
239	40,608	2,387
<u>794,459</u>	<u>8,462,509</u>	<u>184,998</u>
273,548	273,548	0
187,095	2,571,262	0
72,681	24,916,186	4,803
<u>533,324</u>	<u>27,760,996</u>	<u>4,803</u>
<u>1,327,783</u>	<u>36,223,505</u>	<u>189,801</u>

(Continued)

**CITY OF XENIA, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2007**

	<b>Business-Type Activities - Enterprise Funds</b>			
	Water	Sewer	Sanitation	Storm Sewer
<b>Liabilities:</b>				
<i>Current Liabilities:</i>				
Accounts payable	112,666	81,916	160,865	1,222
Accrued payroll	91,996	100,777	19,203	0
Advances from other funds	0	0	0	0
Due to other funds	0	0	0	0
Loan payable	0	520,449	0	0
Accrued interest payable	18,974	18,974	0	0
Compensated absences	27,107	31,258	8,141	0
Capital lease payable - current	42,787	42,786	0	0
Landfill liability - current	0	0	162,842	0
<b>Total Current Liabilities</b>	<b>293,530</b>	<b>796,160</b>	<b>351,051</b>	<b>1,222</b>
<i>Noncurrent Liabilities</i>				
Compensated absences	142,313	164,104	42,740	0
Capital lease payable	848,591	848,591	0	0
Loans payable	0	5,430,029	0	0
Landfill liability - noncurrent	0	0	910,518	0
<b>Total Noncurrent Liabilities</b>	<b>990,904</b>	<b>6,442,724</b>	<b>953,258</b>	<b>0</b>
<b>Total Liabilities</b>	<b>1,284,434</b>	<b>7,238,884</b>	<b>1,304,309</b>	<b>1,222</b>
<b>Net Assets:</b>				
Invested in Capital Assets, net of debt	6,967,873	7,138,616	125,404	5,262,546
Unrestricted	3,189,657	2,358,177	(105,339)	129,939
<b>Total Net Assets</b>	<b>\$ 10,157,530</b>	<b>\$ 9,496,793</b>	<b>\$ 20,065</b>	<b>\$ 5,392,485</b>

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

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

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

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
88,569	445,238	25,947
4,079	216,055	9,138
0	0	5,111
97,309	97,309	0
0	520,449	0
0	37,948	0
1,047	67,553	4,731
0	85,573	0
0	162,842	0
<u>191,004</u>	<u>1,632,967</u>	<u>44,927</u>
5,498	354,655	24,839
0	1,697,182	0
0	5,430,029	0
0	910,518	0
<u>5,498</u>	<u>8,392,384</u>	<u>24,839</u>
<u>196,502</u>	<u>10,025,351</u>	<u>69,766</u>
259,776	19,754,215	4,803
<u>871,505</u>	<u>6,443,939</u>	<u>115,232</u>
<u>\$ 1,131,281</u>	<u>26,198,154</u>	<u>\$ 120,035</u>
	23,580	
	<u>36,801</u>	
	<u>\$ 26,258,535</u>	

**CITY OF XENIA, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2007**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Storm Sewer</u>
<b>Operating revenues:</b>				
Charges for services	\$ 3,005,803	\$ 3,944,635	\$ 1,607,859	\$ 126,289
<b>Operating expenses:</b>				
Personnel services	1,519,135	1,678,230	308,946	0
General operating	6,756	8,506	0	0
Contractual services	512,200	851,815	1,331,694	1,222
Materials and supplies	228,736	175,098	12,678	0
Depreciation	391,002	1,044,730	56,934	125,087
Non-governmental	13,700	13,700	0	0
Total expenses	<u>2,671,529</u>	<u>3,772,079</u>	<u>1,710,252</u>	<u>126,309</u>
Operating income (loss)	334,274	172,556	(102,393)	(20)
<b>Non-operating revenues:</b>				
Interest revenue	149,816	101,929	62,540	2,671
Other	63,615	68,371	93,002	2,201
Total Non-operating revenue	<u>213,431</u>	<u>170,300</u>	<u>155,542</u>	<u>4,872</u>
<b>Non-operating expenses:</b>				
Interest expense	18,974	197,603	0	0
Loss on disposal	0	0	0	14,170
Total Non-Operating Expenses	<u>18,974</u>	<u>197,603</u>	<u>0</u>	<u>14,170</u>
<b>Income (loss) before transfers and contributions</b>	<b>528,731</b>	<b>145,253</b>	<b>53,149</b>	<b>(9,318)</b>
Capital contributions	170,359	19,885	0	5,401,803
Intergovernmental	0	0	0	0
Transfers in	0	0	0	0
<b>Change in Net Assets</b>	<b>699,090</b>	<b>165,138</b>	<b>53,149</b>	<b>5,392,485</b>
<b>Net assets, beginning of year, as restated</b>	<b>9,458,440</b>	<b>9,331,655</b>	<b>(33,084)</b>	<b>0</b>
<b>Net assets, end of year</b>	<b>\$ 10,157,530</b>	<b>\$ 9,496,793</b>	<b>\$ 20,065</b>	<b>\$ 5,392,485</b>

Change in net assets - total enterprise funds

Adjustment to consolidate the Utility Billing Internal Service Fund activities.

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

Total change in net assets of business-type activities.

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 67,158	\$ 8,751,744	\$ 766,218
63,328	3,569,639	161,878
168	15,430	4,954
185,198	2,882,129	188,698
2,826	419,338	389,474
6,906	1,624,659	1,293
71,867	99,267	0
<u>330,293</u>	<u>8,610,462</u>	<u>746,297</u>
(263,135)	141,282	19,921
24,447	341,403	916
351	227,540	1,776
<u>24,798</u>	<u>568,943</u>	<u>2,692</u>
0	216,577	0
<u>0</u>	<u>14,170</u>	<u>0</u>
0	230,747	0
<u>0</u>	<u>230,747</u>	<u>0</u>
(238,337)	479,478	22,613
0	5,592,047	0
263,387	263,387	0
81,121	81,121	0
<u>106,171</u>	<u>6,416,033</u>	<u>22,613</u>
<u>1,025,110</u>	<u>19,782,121</u>	<u>97,422</u>
<u>\$ 1,131,281</u>	<u>\$ 26,198,154</u>	<u>\$ 120,035</u>
	\$ 6,416,033	
	(7,384)	
	9,691	
	<u>\$ 6,418,340</u>	

**CITY OF XENIA, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2007**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Storm Water
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$2,920,282	\$3,779,415	\$1,608,839	\$103,243
Cash Received from Interfund Services Provided	0	0	0	0
Cash Payments for Goods and Services	(617,697)	(1,008,039)	(1,261,021)	0
Cash Payments to Employees	(1,565,057)	(1,675,700)	(307,495)	0
Net Cash Provided (Used) by Operating Activities	<u>737,528</u>	<u>1,095,676</u>	<u>40,323</u>	<u>103,243</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	0	0	0	0
Advances In from Other Funds	0	0	0	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Intergovernmental Grants	0	0	0	0
Acquisition and Construction of Assets	(1,377,722)	(1,279,118)	(14,632)	0
Principal Paid on Loans	0	(505,838)	0	0
Interest Paid on All Debt	0	(178,629)	0	0
Capital Leases Initiated	891,378	891,377	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(486,344)</u>	<u>(1,072,208)</u>	<u>(14,632)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>				
Sale of Investments	0	0	0	0
Purchase of Investments	(431,118)	(162,719)	(147,404)	(88,543)
Receipts of Interest	130,116	97,827	59,615	1,939
Net Cash Used by Investing Activities	<u>(301,002)</u>	<u>(64,892)</u>	<u>(87,789)</u>	<u>(86,604)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(49,818)	(41,424)	(62,098)	16,639
Cash and Cash Equivalents at Beginning of Year	586,989	428,244	243,393	0
Cash and Cash Equivalents at End of Year	<u>\$537,171</u>	<u>\$386,820</u>	<u>\$181,295</u>	<u>\$16,639</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$451,437	\$300,824	\$181,295	\$16,639
Cash with Fiscal Agent	85,734	85,996	0	0
Cash and Cash Equivalents at End of Year	<u>\$537,171</u>	<u>\$386,820</u>	<u>\$181,295</u>	<u>\$16,639</u>

**CITY OF XENIA, OHIO**

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Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$70,081	\$8,481,860	\$0
0	0	766,218
(223,801)	(3,110,558)	(574,643)
(61,573)	(3,609,825)	(160,126)
<u>(215,293)</u>	<u>1,761,477</u>	<u>31,449</u>
81,121	81,121	0
97,309	97,309	0
<u>178,430</u>	<u>178,430</u>	<u>0</u>
141,588	141,588	0
(95,227)	(2,766,699)	0
0	(505,838)	0
0	(178,629)	0
0	1,782,755	0
<u>46,361</u>	<u>(1,526,823)</u>	<u>0</u>
9,941	9,941	0
(72,204)	(901,988)	(34,216)
23,538	313,035	0
<u>(38,725)</u>	<u>(579,012)</u>	<u>(34,216)</u>
(29,227)	(165,928)	(2,767)
<u>110,932</u>	<u>1,369,558</u>	<u>24,927</u>
<u>\$81,705</u>	<u>\$1,203,630</u>	<u>\$22,160</u>
\$81,705	\$1,031,900	\$22,160
0	171,730	0
<u>\$81,705</u>	<u>\$1,203,630</u>	<u>\$22,160</u>

(Continued)

**CITY OF XENIA, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2007**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Storm Water
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$334,274	\$172,556	(\$102,393)	(\$20)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	391,002	1,044,730	56,934	125,087
Income - Other Nonoperating	63,985	64,651	149,251	1,484
Changes in Assets and Liabilities:				
Decrease in Principal Receivable	0	0	0	0
(Increase) Decrease in Accounts Receivable	(85,521)	(165,220)	980	(24,530)
(Increase) Decrease in Prepaid Items	9,591	(1,946)	(117)	0
(Increase) Decrease in Inventory	(25,076)	(7,870)	0	0
Decrease in Landfill Liability	0	0	(62,949)	0
Increase (Decrease) in Accounts Payable	95,195	(14,906)	(2,834)	1,222
Decrease in Accrued Payroll	(19,069)	(16,007)	(2,785)	0
Increase (Decrease) in Compensated Absences	(26,853)	19,688	4,236	0
Total Adjustments	403,254	923,120	142,716	103,263
Net Cash Provided (Used) by Operating Activities	<u>\$737,528</u>	<u>\$1,095,676</u>	<u>\$40,323</u>	<u>\$103,243</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2007, the water fund received \$170,359, the sewer fund received \$19,885 and the storm water fund received \$5,401,803 of capital assets through contributions. At December 31, 2007 the water, sewer, sanitation and CDBG/UDAG funds had outstanding liabilities of \$4,090, \$37,922, \$59,036, and \$75,288, respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements



**CITY OF XENIA, OHIO**

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<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
(\$263,135)	\$141,282	\$19,921
6,906	1,624,659	1,293
351	279,722	675
52,671	52,671	0
287	(274,004)	0
177	7,705	(45)
0	(32,946)	11,793
0	(62,949)	0
(14,030)	64,647	(3,940)
(364)	(38,225)	(1,569)
1,844	(1,085)	3,321
<u>47,842</u>	<u>1,620,195</u>	<u>11,528</u>
<u>(\$215,293)</u>	<u>\$1,761,477</u>	<u>\$31,449</u>

**CITY OF XENIA, OHIO**

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**Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2007**

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	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 242,586
<b>Total Assets</b>	<u>\$ 242,586</u>
<b>Liabilities:</b>	
Accounts payable	\$ 74,227
Restricted deposits	<u>168,359</u>
<b>Total Liabilities</b>	<u><u>\$ 242,586</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

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

The financial statements are presented as of December 31, 2007 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**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 2007 was \$174,400. XEGC's board is appointed by the City Council and XEGC is considered legally separate from the City. The City has the ability to impose its will on XEGC by removing XEGC board members and modifying their budget. The City is legally entitled to access XEGC's resources and provides a majority of its funding, making XEGC fiscally dependant on the City. A separately issued audit report containing financial statements is available from XEGC at 181 W. Main Street, Xenia, Ohio 45385.

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

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

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

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

Additionally, the City reports the following funds types:

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

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

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

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

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

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

**D. Basis of Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

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

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

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

Property taxes measurable as of December 31, 2007 but which are not intended to finance 2007 operations, are recorded as unearned 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. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

**E. Budgets and Budgetary Accounting**

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

1. The City must submit a budget of estimated cash receipts and disbursements for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
2. The County Budget Commission certifies its actions by September 1, and issues a "Certificate of Resources" limiting the maximum amount the City may expend from a given fund during the year.
3. About January 1, this Certificate is amended to include any unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Resources.
4. A temporary appropriation measure is passed at the second City Council meeting in December. The permanent appropriation measure is typically passed at a 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



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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

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

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

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

The adjustments necessary to convert the results of operations for the year ended December 31, 2007 on the GAAP basis to the budget basis are as follows:

	<u>Net Change in Fund Balances</u>	
	<u>General Fund</u>	<u>State Gas and Vehicle License Fund</u>
GAAP Basis (as reported)	\$ (165,296)	\$ 26,847
Revenue Accrual	226,487	(4,991)
Expenditure Accrual	(85,132)	12,529
Outstanding Encumbrances	(155,201)	(56,514)
Budget Basis	<u>\$ (179,142)</u>	<u>\$ (22,129)</u>

**F. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from December 31, 2007. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account.

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. During 2007, the Capital Improvements Fund was allocated approximately \$174,590 of investment earnings in excess of the amount the fund would have received if earnings were based on each fund's share of pooled investment.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

**G. Investments** (Continued)

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2007. 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, 2007.

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Capital Assets and Depreciation**

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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

**J. Capital Assets and Depreciation** (Continued)

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

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

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

<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

**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, 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, Municipal Court Capital Improvements Fund, Water Fund, and Sewer Fund

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

**L. Compensated Absences**

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

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

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

**M. Net Assets**

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

**N. Pensions**

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

**O. Interfund Activity**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

**P. Reservations of Fund Balance**

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

**Q. Operating Revenues and Expenses**

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

**R. Estimates**

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

**S. Allocation of Indirect Expenses**

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

**T. Provision for Loan Losses**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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

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

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

<i>Capital Assets not reported in funds:</i>	
Capital Assets used in governmental activities	\$32,541,539
Total	<u>\$32,541,539</u>
<i>Other long-term assets not available to pay for current-period expenditures:</i>	
Delinquent Income Tax Revenue	\$1,054,919
Shared Revenues	410,679
Delinquent Property Tax Revenue	712,110
Grant Revenues	12,633
Special Assessment Revenue	31,891
Charges for Services	76,956
Miscellaneous Revenue	21,635
Total	<u>\$2,320,823</u>
<i>Long-Term liabilities not reported in the funds:</i>	
General Obligation Bonds Payable	(\$1,065,000)
Accrued Interest on Long-Term Debt	(31,759)
Capital Leases Payable	(1,646,267)
Compensated Absences Payable- Government Activities	(1,473,953)
Total	<u>(\$4,216,979)</u>
<i>Amount of City Garage Internal Service fund applicable to government activities:</i>	
City Garage Fund Net Assets at year end	\$96,455
Portion of City Garage Fund allocated to business-type activities	(36,761)
Total	<u>\$59,694</u>

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

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

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

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

Capital Outlay	\$1,137,550
Depreciation Expense	(962,960)
Total	<u>\$174,590</u>

*Governmental revenues not reported in the funds:*

Increase in Delinquent Income Tax Revenue	\$21,896
Decrease in Shared Revenue	(889,085)
Decrease in Delinquent Property Taxes	544,964
Increase in Special Assessment Revenue	2,255
Decrease in Intergovernmental Grants	(19,839)
Decrease in Charges for Services	(29,943)
Decrease in Miscellaneous Revenues	(29,392)
Total	<u>(\$399,144)</u>

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

Increase in Compensated Absences Payable	(\$85,714)
Increase in supplies inventory	14,617
Total	<u>(\$71,097)</u>

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

City Garage Internal Service Fund change in net assets	\$27,214
Portion of Internal Service fund change in net assets allocated to business type activities	(9,691)
Total	<u>\$17,523</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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**NOTE 3 – RESTATEMENT OF NET ASSETS**

**A. Restatement of Net Assets**

The net assets of the Governmental Activities and the net assets of the Water, Sewer, Sanitation, Other Enterprise Funds and the Internal Service Funds were restated from balances previously reported due to a change in the capitalization level from \$1,000 to \$5,000 and to correct errors made in previous years: (1) non-capitalization of certain capital assets; (2) capitalization of assets within Governmental Activities when they should have been capitalized as Business-Type activities and (3) capitalization of assets in error. The combination of the three errors would not have had a material effect on prior year operations. The restatement resulted in changes to balances reported last year as follows:

	Governmental Activities	Water	Sewer
Net Assets at December 31, 2006 (as reported)	\$44,423,156	\$9,608,470	\$9,466,605
Capital Assets	(165,990)	(150,030)	(134,950)
Net Assets at December 31, 2006 (as restated)	<u>\$44,257,166</u>	<u>\$9,458,440</u>	<u>\$9,331,655</u>
	Sanitation	Other Enterprise	Internal Service
Net Assets at December 31, 2006 (as reported)	(\$30,637)	\$1,391,367	\$100,205
Capital Assets	(2,447)	(366,257)	(2,783)
Net Assets at December 31, 2006 (as restated)	<u>(\$33,084)</u>	<u>\$1,025,110</u>	<u>\$97,422</u>

**NOTE 4 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

At December 31, 2007, the carrying amount of the City and Component Unit cash deposits was \$2,338,210 and \$668,853 respectively and the bank balance was \$2,987,682 and \$675,140 respectively. Of the bank balance, federal depository insurance coverage was \$300,000 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. 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, 2007**

**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

The City's investments at December 31, 2007 are summarized below:

Investment Type	Total Fair Value	Credit Rating	Investment Maturities				
			Less than 6 Months	6 Months to 1 Year	1 - 3 Years	3 - 5 Years	11-27 Years
FHLB	\$ 3,872,497	AAA	\$ 229,337	\$ 639,512	\$ 1,509,669	\$ 1,493,979	\$ 0
FFCB	345,132	AAA	0	0	284,772	60,360	0
FHLMC	2,928,976	AAA	448,393	55,127	1,311,758	607,612	506,086
FAMC	76,703	AAA	0	0	76,703	0	0
FNMA	2,629,490	AAA	841,551	95,065	1,344,983	0	347,891
TVA	249,347	AAA	0	0	0	249,347	0
US TREASURY N/B	64,994	n/a	64,994	0	0	0	0
STAR OHIO	542,595	AAA	542,595	0	0	0	0
Money Market Funds	662,625	Unrated	662,625	0	0	0	0
Total Investments	<u>\$ 11,372,359</u>		<u>\$ 2,789,495</u>	<u>\$ 789,704</u>	<u>\$ 4,527,885</u>	<u>\$ 2,411,298</u>	<u>\$ 853,977</u>

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

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

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of a failure of a depository institution or counterparty to a transaction, the City will be unable to recover the value of deposits, investments, or collateral securities in the possession of an outside party. At December 31, 2007, the City's deposits and investments, including the collateral on lent securities, had no exposure to custodial credit risk. The City does not have a policy to limit custodial credit risk.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments** (Continued)

*Credit Risk* – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The City Investment policy allows fund managers to invest in only the following Instruments: (1) Treasury Bills and Treasury Notes and Bonds; (2) Obligations of Federal Agencies and Instrumentalities; (3) Non Negotiable Interest Bearing Time Certificates of Deposit and Savings Accounts; (4) Bankers Acceptances of banks in top 100 based on asset size, or Ohio based banks with at least \$2 billion in assets; (5) Commercial paper rated at least A-1/P-1; (6) Star Ohio; (7) No load money market mutual funds consisting exclusively of obligations listed in 5 and 6; (8) Repurchase Agreements under terms in the policy; (9) NOW accounts; (10) and insured obligations of the State of Ohio and its political subdivisions. As of December 31, 2007, 100% of the City’s portfolio was invested in AAA rated securities.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The City portfolio must be invested in more than one type of financial instrument, in more than one financial institution, and at different maturity lengths according to cash flow needs. At December 31, 2007, the City had no concentration of credit risk.

**NOTE 5 - 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, 2006
Lien date	January 1, 2007
Tax bill mailed	January 23, 2007
First installment payment due	February 23, 2007
Second installment payment due	July 18, 2007

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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**NOTE 5 - TAXES (Continued)**

**A. Property Taxes (Continued)**

The assessed values upon which 2007 tax receipts were based, are as follows:

	<u>Assessed Values</u> <u>January 1, 2006</u>
Real Estate	\$351,926,820
Tangible Personal	<u>22,702,882</u>
Total	<u><u>\$374,629,702</u></u>

The County Treasurer collects property taxes on behalf of taxing districts in Greene County, including the City of Xenia. Property taxes may be paid in full on February 23rd or one-half on February 23rd and July 18th. The County Auditor remits to the City, in April and August, its portion of taxes collected.

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

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

**B. Income Tax**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**NOTE 6 – 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, 2007 were:

Loan Type	C.D.B.G Revolving Loan Fund	Loan Fund	Housing Rehabilitation Loan Fund	Xenia Economic Growth Corp.
Down payment assistance loans	\$0	\$0	\$9,564	\$0
Mortgage grants	0	16,710	67,423	0
Rehabilitation loans	0	0	145,114	0
Façade Loans	69,456	0	0	0
Homelessness Prevention Loans	0	0	12,207	0
Economic development loans	0	0	0	92,516
Total Loans receivable	<u>\$69,456</u>	<u>\$16,710</u>	<u>\$234,308</u>	<u>\$92,516</u>

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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**NOTE 7 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2007:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$1,200,121
State Gas and Vehicle License Tax Fund	189,000	0
Capital Improvements Fund	830,000	0
Other Governmental Funds	100,000	0
Total Governmental Funds	1,119,000	1,200,121
Enterprise Funds		
Other Enterprise Funds	81,121	0
Total Enterprise Funds	81,121	0
Total Transfers	\$1,200,121	\$1,200,121

The transfers from the General Fund to the Other Governmental Funds were used to support operations. The transfer from the General Fund to the State Gas and Vehicle License Tax Fund is a transfer between key operating funds to support operations. The transfer from the General Fund to the Capital Improvements Fund was to support capital purchases. The transfer from the General Fund to the Other Enterprise Funds was used as the local matching portion of the C.D.B.G. grant and to complete a second project for which the C.D.B.G. grant funds were used.

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

The following balances at December 31, 2007, represent due from/to other funds and advances to/from other funds:

	Due From Other Funds	Due To Other Funds
Governmental Funds:		
General Fund	\$97,309	\$0
Enterprise Funds:		
Other Enterprise Funds	0	97,309
	Advances to Other Funds	Advances from Other Funds
Governmental Funds:		
Capital Improvements Fund	\$5,111	\$0
Internal Service Funds:		
City Garage Fund	0	5,111

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2007:

<i>Historical Cost:</i>	Restated December 31, 2006	Additions	Deletions	December 31, 2007
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$15,737,177	\$0	\$0	\$15,737,177
Construction in Progress	549,128	39,721	(468,231)	120,618
Subtotal	<u>16,286,305</u>	<u>39,721</u>	<u>(468,231)</u>	<u>15,857,795</u>
<i>Capital assets being depreciated:</i>				
Land improvements	1,123,088	0	0	1,123,088
Buildings and improvements	5,948,254	0	0	5,948,254
Machinery and Equipment	14,692,014	683,999	(8,106,716)	7,269,297
Infrastructure	12,826,030	541,228	(110,498)	13,256,760
Subtotal	<u>34,589,386</u>	<u>1,225,227</u>	<u>(8,217,214)</u>	<u>27,597,399</u>
Total Cost	<u>\$50,875,691</u>	<u>\$1,264,948</u>	<u>(\$8,685,445)</u>	<u>\$43,455,194</u>
<i>Accumulated Depreciation:</i>				
Class	Restated December 31, 2006	Additions	Deletions	December 31, 2007
Land improvements	(\$543,839)	(\$40,752)	\$0	(\$584,591)
Buildings and improvements	(2,117,946)	(152,795)	0	(2,270,741)
Machinery and Equipment	(5,962,051)	(434,218)	2,940,114	(3,456,155)
Infrastructure	(4,296,475)	(336,488)	33,994	(4,598,969)
Total Depreciation	<u>(\$12,920,311)</u>	<u>(\$964,253) *</u>	<u>\$2,974,108</u>	<u>(\$10,910,456)</u>
<i>Net Value:</i>	<u>\$37,955,380</u>			<u>\$32,544,738</u>

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

General Government	(\$122,883)
Public Safety	(325,513)
Highways and Streets	(412,464)
Community Development	(13,657)
Recreation	(85,634)
Health	(2,809)
Total Depreciation Expense recorded within the Governmental Activities	<u>(962,960)</u>
Amount of Depreciation Expense recorded in the Internal Service Fund	(1,293)
Total Additions to Accumulated Depreciation	<u>(\$964,253)</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

**NOTE 9 - CAPITAL ASSETS (Continued)**

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

Summary by Category at December 31, 2007:

<i>Historical Cost:</i>		Restated		
Class	December 31, 2006	Additions	Deletions	December 31, 2007
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$484,280	\$0	\$0	\$484,280
Construction in Progress	130,266	2,172,259	(215,543)	2,086,982
Subtotal	614,546	2,172,259	(215,543)	2,571,262
<b><i>Capital assets being depreciated:</i></b>				
Land improvements	351,517	7,499	0	359,016
Buildings and improvements	8,277,811	0	0	8,277,811
Machinery and Equipment	37,265,484	8,790,618	(31,647)	46,024,455
Total Cost	\$46,509,358	\$10,970,376	(\$247,190)	\$57,232,544
<b><i>Accumulated Depreciation:</i></b>		Restated		
Class	December 31, 2006	Additions	Deletions	December 31, 2007
Land Improvements	(\$240,169)	(\$11,334)	\$0	(\$251,503)
Buildings and Improvements	(4,129,248)	(249,510)	0	(4,378,758)
Machinery and Equipment	(21,383,474)	(3,747,234)	17,477	(25,113,231)
Total Depreciation	(\$25,752,891)	(\$4,008,078)	\$17,477	(\$29,743,492)
<b><i>Net Value:</i></b>	<b>\$20,756,467</b>			<b>\$27,489,052</b>

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

Summary by Category at December 31, 2007:

<i>Historical Cost:</i>		December 31,		
Class	2006	Additions	Deletions	2007
<b><i>Capital assets being depreciated:</i></b>				
Machinery and Equipment	\$29,444	\$2,281	\$0	\$31,725
Total Cost	\$29,444	\$2,281	\$0	\$31,725
<b><i>Accumulated Depreciation:</i></b>		December 31,		
Class	2006	Additions	Deletions	2007
Machinery and Equipment	(\$29,139)	(\$501)	\$0	(\$29,640)
Total Depreciation	(\$29,139)	(\$501)	\$0	(\$29,640)
<b><i>Net Value:</i></b>	<b>\$305</b>			<b>\$2,085</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2007, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.5%. The 2007 employer contribution rate for local government employer units was 13.85%, of covered payroll. From January 1 through June 30, 2007, 8.85% was allocated to fund the pension and 5.0% to fund health care and from July 1, 2007 through December 31, 2007, 7.85% was allocated to fund the pension and 6.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2007, 2006, and 2005 were \$906,785, \$855,056 and \$846,540, respectively, which were equal to the required contributions for each year.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2007 employer contribution rate (identified above) that was used to fund health care was 5.0% from January 1 through June 30, 2007 and 6.0% from July 1 through December 31, 2007, of covered payroll which amounted to \$360,096.

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, 2006. The individual entry age 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 annually, not to exceed a 12% corridor. The investment assumption rate for 2006 was 6.5%. 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 plus an additional factor ranging from .50% to 5% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 374,979. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2006 is \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2007, 2006, and 2005 were \$565,172, \$546,402 and \$536,032 for police and \$602,008, \$581,893 and \$607,910 for firefighters, respectively, which were equal to the required contributions for each year.

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

The portion of the 2007 covered payroll that was used to fund postemployment health care benefits was \$195,636 representing 6.75% of covered payroll for police and \$169,315 representing 6.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2006, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 14,120 for police and 10,563 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2006 were \$120,373,722, which was net of member contributions of \$58,532,848.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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

Long-term debt and other long-term obligations of the City at December 31, 2007 were as follows:

			Balance December 31, 2006	Additions	(Reductions)	Balance December 31, 2007	Due Within One Year
<b>Business-Type Activities:</b>							
Loans Payable:							
3.04%	Sewer Loan Payable	1993	\$839,718	\$0	(\$157,967)	\$681,751	\$162,805
2.79%	Sewer Loan Payable	1999	5,616,598	0	(347,871)	5,268,727	357,644
	Total Loans Payable		6,456,316	0	(505,838)	5,950,478	520,449
	Capital Leases		0	1,782,755	0	1,782,755	85,573
	Landfill Liability		1,136,309	60,931	(123,880)	1,073,360	162,842
	Compensated Absences		423,293	422,208	(423,293)	422,208	67,553
	<b>Total Business Type Activities</b>		<b>\$8,015,918</b>	<b>\$2,265,894</b>	<b>(\$1,053,011)</b>	<b>\$9,228,801</b>	<b>\$836,417</b>
<b>Governmental Activities Long-Term Debt:</b>							
4.70 - 5.75%							
	General Obligation Bond Payable	2000	\$1,120,000	\$0	(\$55,000)	\$1,065,000	\$60,000
	Capital Leases Payable		1,831,903	105,419	(291,055)	1,646,267	288,538
	Compensated Absences		1,414,488	1,503,523	(1,414,488)	1,503,523	181,605
	<b>Total Governmental Activities</b>		<b>\$4,366,391</b>	<b>\$1,608,942</b>	<b>(\$1,760,543)</b>	<b>\$4,214,790</b>	<b>\$530,143</b>

**A. Principal and Interest Requirements**

Principal and Interest requirements to retire long-term obligations outstanding at December 31, 2007 are as follows:

Years	General Obligation Bond		Sewer Loans Payable	
	Principal	Interest	Principal	Interest
2008	\$60,000	\$58,755	\$520,449	\$164,017
2009	60,000	55,620	535,485	148,983
2010	65,000	52,323	550,955	133,513
2011	70,000	48,588	566,861	117,606
2012	70,000	44,563	399,561	102,603
2013-2017	425,000	154,531	2,172,631	338,190
2018-2020	315,000	27,744	1,204,536	50,875
Totals	<b>\$1,065,000</b>	<b>\$442,124</b>	<b>\$5,950,478</b>	<b>\$1,055,787</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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

**B. General Obligation Bond**

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

**C. Conduit Debt**

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

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

As of December 31, 2007, this is the only conduit debt outstanding.

**NOTE 12 – LEASES**

**A. Capital Leases**

Under capital leases the City has leases for two medic units, a ladder truck, two fire pumpers, a communication center, a building security system, automated meter reading upgrades, and two leases for upgrades to the phone system. The cost of these capital leases are related to Governmental Activities capital assets with the exception of the automated meter reading project which can be attributed to the Business Activities. The related liabilities are included in amounts due within one year and amounts due in more than one year. The original cost of the assets acquired under capital lease was \$4,257,489 and the book value at December 31, 2007 was \$3,862,136. 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, 2007:

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007**

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**NOTE 12 – LEASES (Continued)**

**A. Capital Leases (Continued)**

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2008	\$354,578	\$164,515
2009	325,344	164,515
2010	290,202	164,515
2011	268,310	164,516
2012	268,310	164,516
2013-2017	390,694	822,577
2018-2022	<u>0</u>	<u>822,577</u>
Minimum Lease Payments	1,897,438	2,467,731
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(251,171)</u>	<u>(684,976)</u>
Present value of minimum lease payments	<u>\$1,646,267</u>	<u>\$1,782,755</u>

**B. Operating Leases**

The City leases office space, machinery and equipment, janitorial and cleaning services and parking lots under operating agreements that expire at various dates through 2010. Payments on operating leases were \$116,711 during 2007. The following is a schedule of future minimum rental payments of non-cancellable operating leases:

<u>Year Ending December 31,</u>	<u>Amount</u>
2008	\$118,185
2009	64,032
2010	2,878

**NOTE 13 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

In 1991, the City stopped accepting waste at the City of Xenia Landfill. EPA required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. At December 31, 2007 the City's accrued liability (per GASB 18) for post-closure costs related to the closed City landfill is \$1,073,360. These costs are funded by a component of the city Sanitation rate. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007***

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**NOTE 14 - RISK MANAGEMENT**

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

**NOTE 15 - CONTINGENCIES**

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

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

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Recreation Special Fund**

To account for specific recreation activities funded by fees.

**Indigent Driver Alcohol Treatment Fund**

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

**Law Enforcement and Education Fund**

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

**State Route Repair Fund**

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

**City Motor Vehicle License Tax Fund**

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

**County Motor Vehicle License Tax Fund**

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

**Special Miscellaneous Improvements Fund**

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

**Tax Increment Equivalent Fund**

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

(Continued)



***Special Revenue Funds***

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**Law Enforcement Fund**

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

**Drug Law Enforcement Fund**

To account for drug offenses, fines and bond forfeitures.

**Municipal Court Victim Fund**

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

***Debt Service Fund***

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**Debt Service Fund**

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

***Capital Projects Funds***

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

**Municipal Court Capital Improvements Fund**

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

**Issue II Fund**

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

**CITY OF XENIA, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 231,636	\$ 3,359	\$ 93,858	\$ 328,853
Cash with fiscal agent	321,986	0	0	321,986
Investments	1,232,699	17,874	499,481	1,750,054
Receivables:				
Taxes, including interest, penalties and liens	188,166	68,133	0	256,299
Intergovernmental	246,031	0	0	246,031
Accrued interest	15,045	285	7,491	22,821
Grants	19,511	0	0	19,511
Prepaid items	147	0	18,609	18,756
<b>Total Assets</b>	<b>\$ 2,255,221</b>	<b>\$ 89,651</b>	<b>\$ 619,439</b>	<b>\$ 2,964,311</b>
<b>Liabilities:</b>				
Accounts payable	\$ 12,471	\$ 0	\$ 13	\$ 12,484
Accrued payroll	12,919	0	0	12,919
Deferred revenue	402,829	68,199	1,733	472,761
<b>Total Liabilities</b>	<b>428,219</b>	<b>68,199</b>	<b>1,746</b>	<b>498,164</b>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	78,092	0	806	78,898
Prepaid items	147	0	18,609	18,756
Debt service	0	21,452	0	21,452
Unreserved and undesignated in:				
Special revenue funds	1,748,763	0	0	1,748,763
Capital projects funds	0	0	598,278	598,278
<b>Total Fund Balances</b>	<b>1,827,002</b>	<b>21,452</b>	<b>617,693</b>	<b>2,466,147</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 2,255,221</b>	<b>\$ 89,651</b>	<b>\$ 619,439</b>	<b>\$ 2,964,311</b>

**CITY OF XENIA, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Other local taxes	\$ 186,184	\$ 69,692	\$ 0	\$ 255,876
State shared taxes and permits	511,575	10,126	0	521,701
Intergovernmental grants	74,062	0	533,226	607,288
Fines, costs, forfeitures, licenses and permits	94,001	0	108,669	202,670
Miscellaneous receipts and reimbursements, including interest	259,614	1,532	30,310	291,456
<b>Total Revenue</b>	<b>1,125,436</b>	<b>81,350</b>	<b>672,205</b>	<b>1,878,991</b>
<b>Expenditures:</b>				
Current:				
General government	466,877	0	0	466,877
Public safety	56,634	658	0	57,292
Highways and streets	179,651	634	0	180,285
Recreation	10,983	0	0	10,983
Capital outlay	1,599	0	622,887	624,486
Debt service:				
Principal retirement	18,150	36,850	7,430	62,430
Interest & fiscal charges	20,371	41,360	2,454	64,185
<b>Total Expenditures</b>	<b>754,265</b>	<b>79,502</b>	<b>632,771</b>	<b>1,466,538</b>
Excess (deficiency) of revenues over expenditures	371,171	1,848	39,434	412,453
<b>Other financing sources (uses):</b>				
Capital leases initiated	0	0	64,500	64,500
Transfers in	100,000	0	0	100,000
<b>Total other financing sources (uses)</b>	<b>100,000</b>	<b>0</b>	<b>64,500</b>	<b>164,500</b>
Net change in fund balances	471,171	1,848	103,934	576,953
<b>Fund Balances at Beginning of Year</b>	<b>1,355,831</b>	<b>19,604</b>	<b>513,759</b>	<b>1,889,194</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,827,002</b>	<b>\$ 21,452</b>	<b>\$ 617,693</b>	<b>\$ 2,466,147</b>

**CITY OF XENIA, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2007**

	Recreation Special	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax
<b>Assets:</b>					
Cash and cash equivalents	\$ 360	\$ 55,415	\$ 5,894	\$ 13,049	\$ 21,809
Cash with fiscal agent	0	0	0	0	59,986
Investments	1,914	294,901	31,369	69,442	116,061
Receivables:					
Taxes, including interest, penalties and liens	0	0	0	0	0
Intergovernmental	0	0	0	41,136	88,776
Accrued interest	0	4,946	506	1,087	1,384
Grants	0	0	0	0	0
Prepaid items	0	0	0	147	0
<b>Total Assets</b>	<u>\$ 2,274</u>	<u>\$ 355,262</u>	<u>\$ 37,769</u>	<u>\$ 124,861</u>	<u>\$ 288,016</u>
<b>Liabilities:</b>					
Accounts payable	\$ 0	\$ 0	\$ 641	\$ 11,251	\$ 0
Accrued payroll	0	0	0	0	0
Deferred revenue	0	1,144	117	25,270	57,733
<b>Total Liabilities</b>	<u>0</u>	<u>1,144</u>	<u>758</u>	<u>36,521</u>	<u>57,733</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	0	0	916	11,641	1,277
Prepaid items	0	0	0	147	0
Unreserved and undesignated	2,274	354,118	36,095	76,552	229,006
<b>Total Fund Balances</b>	<u>2,274</u>	<u>354,118</u>	<u>37,011</u>	<u>88,340</u>	<u>230,283</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 2,274</u>	<u>\$ 355,262</u>	<u>\$ 37,769</u>	<u>\$ 124,861</u>	<u>\$ 288,016</u>

**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
\$ 881	\$ 28,115	\$ 21,645	\$ 81,869	\$ 1,393	\$ 1,206	\$ 231,636
262,000	0	0	0	0	0	321,986
4,690	149,620	115,193	435,679	7,412	6,418	1,232,699
0	0	188,166	0	0	0	188,166
116,119	0	0	0	0	0	246,031
751	0	0	5,643	264	464	15,045
0	0	0	2,920	0	16,591	19,511
0	0	0	0	0	0	147
<u>\$ 384,441</u>	<u>\$ 177,735</u>	<u>\$ 325,004</u>	<u>\$ 526,111</u>	<u>\$ 9,069</u>	<u>\$ 24,679</u>	<u>\$ 2,255,221</u>
\$ 0	\$ 0	\$ 0	\$ 135	\$ 0	\$ 444	\$ 12,471
0	2,008	0	510	0	10,401	12,919
116,293	0	188,166	1,305	61	12,740	402,829
<u>116,293</u>	<u>2,008</u>	<u>188,166</u>	<u>1,950</u>	<u>61</u>	<u>23,585</u>	<u>428,219</u>
0	57,619	0	5,300	0	1,339	78,092
0	0	0	0	0	0	147
268,148	118,108	136,838	518,861	9,008	(245)	1,748,763
<u>268,148</u>	<u>175,727</u>	<u>136,838</u>	<u>524,161</u>	<u>9,008</u>	<u>1,094</u>	<u>1,827,002</u>
<u>\$ 384,441</u>	<u>\$ 177,735</u>	<u>\$ 325,004</u>	<u>\$ 526,111</u>	<u>\$ 9,069</u>	<u>\$ 24,679</u>	<u>\$ 2,255,221</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, 2007**

	Recreation Special	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax
<b>Revenues:</b>					
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State shared taxes and permits	0	0	0	80,098	169,477
Intergovernmental grants	0	0	0	0	0
Fines, costs, forfeitures, licenses and permits	0	16,778	2,599	0	0
Miscellaneous receipts and reimbursements, including interest	2,214	20,491	2,070	4,260	7,044
<b>Total Revenue</b>	<b>2,214</b>	<b>37,269</b>	<b>4,669</b>	<b>84,358</b>	<b>176,521</b>
<b>Expenditures:</b>					
Current:					
General government	0	50,000	0	0	0
Public safety	0	0	2,443	0	0
Highways and streets	0	0	0	82,091	0
Recreation	10,983	0	0	0	0
Capital outlay	0	0	599	0	0
Debt service:					
Principal retirement	0	0	0	0	18,150
Interest and fiscal charges	0	0	0	0	20,371
<b>Total Expenditures</b>	<b>10,983</b>	<b>50,000</b>	<b>3,042</b>	<b>82,091</b>	<b>38,521</b>
Excess (deficiency) of revenues over expenditures	(8,769)	(12,731)	1,627	2,267	138,000
<b>Other financing sources (uses):</b>					
Transfers in	10,000	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	1,231	(12,731)	1,627	2,267	138,000
<b>Fund Balances at Beginning of Year</b>	<b>1,043</b>	<b>366,849</b>	<b>35,384</b>	<b>86,073</b>	<b>92,283</b>
<b>Fund Balances End of Year</b>	<b>\$ 2,274</b>	<b>\$ 354,118</b>	<b>\$ 37,011</b>	<b>\$ 88,340</b>	<b>\$ 230,283</b>

**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	\$ 186,184	\$ 0	\$ 0	\$ 0	\$ 186,184
262,000	0	0	0	0	0	511,575
0	0	0	26,937	0	47,125	74,062
0	0	0	0	0	74,624	94,001
<u>2,456</u>	<u>88,600</u>	<u>843</u>	<u>129,240</u>	<u>1,063</u>	<u>1,333</u>	<u>259,614</u>
<u>264,456</u>	<u>88,600</u>	<u>187,027</u>	<u>156,177</u>	<u>1,063</u>	<u>123,082</u>	<u>1,125,436</u>
0	84,688	149,299	0	0	182,890	466,877
0	0	0	33,191	21,000	0	56,634
97,560	0	0	0	0	0	179,651
0	0	0	0	0	0	10,983
0	0	0	1,000	0	0	1,599
0	0	0	0	0	0	18,150
0	0	0	0	0	0	20,371
<u>97,560</u>	<u>84,688</u>	<u>149,299</u>	<u>34,191</u>	<u>21,000</u>	<u>182,890</u>	<u>754,265</u>
166,896	3,912	37,728	121,986	(19,937)	(59,808)	371,171
<u>0</u>	<u>0</u>	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
166,896	3,912	37,728	211,986	(19,937)	(59,808)	471,171
<u>101,252</u>	<u>171,815</u>	<u>99,110</u>	<u>312,175</u>	<u>28,945</u>	<u>60,902</u>	<u>1,355,831</u>
<u>\$ 268,148</u>	<u>\$ 175,727</u>	<u>\$ 136,838</u>	<u>\$ 524,161</u>	<u>\$ 9,008</u>	<u>\$ 1,094</u>	<u>\$ 1,827,002</u>

**CITY OF XENIA, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2007**

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	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 93,713	\$ 145	\$ 93,858
Investments	498,708	773	499,481
Receivables:			
Accrued interest	7,491	0	7,491
Prepaid items	18,609	0	18,609
<b>Total Assets</b>	<b>\$ 618,521</b>	<b>\$ 918</b>	<b>\$ 619,439</b>
<b>Liabilities:</b>			
Accounts payable	\$ 13	\$ 0	\$ 13
Deferred revenue	1,733	0	1,733
<b>Total Liabilities</b>	<b>1,746</b>	<b>0</b>	<b>1,746</b>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	806	0	806
Prepaid items	18,609	0	18,609
Unreserved and undesignated	597,360	918	598,278
<b>Total Fund Balances</b>	<b>616,775</b>	<b>918</b>	<b>617,693</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 618,521</b>	<b>\$ 918</b>	<b>\$ 619,439</b>



**CITY OF XENIA, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2007***

	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Intergovernmental grants	\$ 0	\$ 533,226	\$ 533,226
Fines, costs, forfeitures, licenses and permits	108,669	0	108,669
Miscellaneous receipts and reimbursements, including interest	30,302	8	30,310
<b>Total Revenue</b>	<b>138,971</b>	<b>533,234</b>	<b>672,205</b>
<b>Expenditures:</b>			
Current:			
Capital outlay	89,661	533,226	622,887
Debt service:			
Principal retirement	7,430	0	7,430
Interest & fiscal charges	2,454	0	2,454
<b>Total Expenditures</b>	<b>99,545</b>	<b>533,226</b>	<b>632,771</b>
Excess (deficiency) of revenues over expenditures	39,426	8	39,434
<b>Other financing sources (uses):</b>			
Capital lease initiated	64,500	0	64,500
<b>Total other financing sources (uses)</b>	<b>64,500</b>	<b>0</b>	<b>64,500</b>
Net change in fund balances	103,926	8	103,934
<b>Fund Balances at Beginning of Year</b>	<b>512,849</b>	<b>910</b>	<b>513,759</b>
<b>Fund Balances End of Year</b>	<b>\$ 616,775</b>	<b>\$ 918</b>	<b>\$ 617,693</b>

**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 8,925,190	\$ 8,925,190	\$ 8,996,570	\$ 71,380
Other Local Taxes	1,446,795	1,437,911	1,486,567	48,656
State Shared Taxes and Permits	2,046,351	2,046,351	2,081,349	34,998
Intergovernmental Grants	139,222	139,222	202,746	63,524
Charges for Services	1,634,885	1,634,885	1,543,365	(91,520)
Fines, Costs, Forfeitures, Licenses and Permits	1,087,851	1,087,851	1,018,229	(69,622)
Miscellaneous Receipts and Reimbursements, Including Interest	352,007	352,007	385,448	33,441
Total Revenues	<u>15,632,301</u>	<u>15,623,417</u>	<u>15,714,274</u>	<u>90,857</u>
<b>Expenditures:</b>				
General Government:				
City Council and General Government:				
Personnel Services	32,391	32,391	32,192	199
General Operating Expenses	27,045	22,938	14,553	8,385
Contractual Services	66,087	62,831	47,194	15,637
Materials and Supplies	5,638	5,673	3,424	2,249
Contributions	125,000	135,328	135,194	134
Total City Council and General Government	<u>256,161</u>	<u>259,161</u>	<u>232,557</u>	<u>26,604</u>
Municipal Court:				
Personnel Services	1,328,320	1,278,320	1,271,851	6,469
General Operating Expenses	17,965	14,205	13,735	470
Contractual Services	140,235	145,025	131,330	13,695
Materials and Supplies	25,367	24,483	23,653	830
Contributions	50,853	50,853	37,715	13,138
Total Municipal Court	<u>1,562,740</u>	<u>1,512,886</u>	<u>1,478,284</u>	<u>34,602</u>
City Law Department:				
Personnel Services	178,855	186,616	186,612	4
General Operating Expenses	3,345	2,492	2,492	0
Contractual Services	16,267	17,050	15,587	1,463
Materials and Supplies	4,975	5,045	4,063	982
Total City Law Department	<u>203,442</u>	<u>211,203</u>	<u>208,754</u>	<u>2,449</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
City Manager's Office:				
Personnel Services	79,402	79,402	78,831	571
General Operating Expenses	4,635	3,715	2,028	1,687
Contractual Services	10,642	11,242	6,898	4,344
Materials and Supplies	4,850	5,170	3,034	2,136
Total City Manager's Office	<u>99,529</u>	<u>99,529</u>	<u>90,791</u>	<u>8,738</u>
Personnel Office:				
Personnel Services	26,236	26,474	26,469	5
General Operating Expenses	4,895	5,055	2,750	2,305
Contractual Services	52,307	73,761	51,129	22,632
Materials and Supplies	13,130	11,059	9,770	1,289
Total Personnel Office	<u>96,568</u>	<u>116,349</u>	<u>90,118</u>	<u>26,231</u>
Finance Office:				
Personnel Services	70,192	70,192	69,172	1,020
General Operating Expenses	1,750	705	656	49
Contractual Services	64,461	64,916	64,601	315
Materials and Supplies	6,995	7,812	7,644	168
Total Finance Office	<u>143,398</u>	<u>143,625</u>	<u>142,073</u>	<u>1,552</u>
Income Tax:				
Personnel Services	264,860	268,539	268,534	5
General Operating Expenses	4,700	4,773	4,371	402
Contractual Services	47,874	55,129	45,440	9,689
Materials and Supplies	12,561	14,061	7,378	6,683
Total Income Tax	<u>329,995</u>	<u>342,502</u>	<u>325,723</u>	<u>16,779</u>
Municipal Building and General Services:				
Contractual Services	197,714	203,386	173,805	29,581
Materials and Supplies	4,230	5,728	5,427	301
Total Municipal Building and General Services	<u>201,944</u>	<u>209,114</u>	<u>179,232</u>	<u>29,882</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Data Processing:				
Personnel Services	40,794	40,794	39,947	847
General Operating Expenses	8,750	8,750	3,260	5,490
Contractual Services	78,922	84,388	69,066	15,322
Materials and Supplies	22,700	24,917	22,626	2,291
Total Data Processing	<u>151,166</u>	<u>158,849</u>	<u>134,899</u>	<u>23,950</u>
Clerk of City Council:				
Personnel Services	25,245	25,245	24,295	950
General Operating Expenses	190	190	85	105
Contractual Services	37,151	46,246	36,093	10,153
Materials and Supplies	3,000	3,244	2,648	596
Total Clerk of City Council	<u>65,586</u>	<u>74,925</u>	<u>63,121</u>	<u>11,804</u>
Volunteer Program:				
General Operating Expenses	1,075	1,265	1,190	75
Contractual Services	750	750	150	600
Materials and Supplies	1,450	1,260	1,070	190
Total Volunteer Program	<u>3,275</u>	<u>3,275</u>	<u>2,410</u>	<u>865</u>
Public Affairs & CATV:				
General Operating Expenses	1,300	1,300	1,273	27
Contractual Services	15,500	15,500	2,242	13,258
Materials and Supplies	6,000	6,000	4,685	1,315
Total Public Affairs & CATV	<u>22,800</u>	<u>22,800</u>	<u>8,200</u>	<u>14,600</u>
Total General Government	<u>3,136,604</u>	<u>3,154,218</u>	<u>2,956,162</u>	<u>198,056</u>
Public Safety:				
Violence Against Women Grant:				
Personnel Services	89,455	89,455	86,573	2,882
Contractual Services	1,800	1,800	1,350	450
Total Violence Against Women Grant	<u>91,255</u>	<u>91,255</u>	<u>87,923</u>	<u>3,332</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Police:				
Personnel Services	4,294,053	4,280,152	4,243,578	36,574
General Operating Expenses	78,800	63,722	59,163	4,559
Contractual Services	406,170	397,532	371,780	25,752
Materials and Supplies	80,575	112,930	100,783	12,147
Total Police	<u>4,859,598</u>	<u>4,854,336</u>	<u>4,775,304</u>	<u>79,032</u>
Communications:				
Personnel Services	1,088,594	1,088,594	1,049,377	39,217
General Operating Expenses	6,175	6,175	3,025	3,150
Contractual Services	173,102	162,602	104,918	57,684
Materials and Supplies	24,480	34,982	27,992	6,990
Capital Outlay	80,095	80,095	72,263	7,832
Total Communications	<u>1,372,446</u>	<u>1,372,448</u>	<u>1,257,575</u>	<u>114,873</u>
D.A.R.E. Program				
Personal Services	82,012	82,012	80,890	1,122
Total D.A.R.E. Program	<u>82,012</u>	<u>82,012</u>	<u>80,890</u>	<u>1,122</u>
Fire:				
Personnel Services	3,813,348	3,813,348	3,733,402	79,946
General Operating Expenses	39,460	18,739	12,926	5,813
Contractual Services	355,940	362,764	318,787	43,977
Materials and Supplies	121,063	137,690	122,477	15,213
Total Fire	<u>4,329,811</u>	<u>4,332,541</u>	<u>4,187,592</u>	<u>144,949</u>
Civil Defense:				
Personnel Services	32,888	32,888	32,872	16
General Operating Expenses	2,595	3,181	3,006	175
Contractual Services	44,595	43,728	23,578	20,150
Materials and Supplies	3,438	3,728	794	2,934
Total Civil Defense	<u>83,516</u>	<u>83,525</u>	<u>60,250</u>	<u>23,275</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Engineering:				
Personnel Services	60,697	60,697	50,130	10,567
General Operating Expenses	3,400	3,000	1,943	1,057
Contractual Services	42,492	40,811	29,075	11,736
Materials and Supplies	4,080	6,280	5,868	412
Total Engineering	<u>110,669</u>	<u>110,788</u>	<u>87,016</u>	<u>23,772</u>
Construction Inspection:				
Personnel Services	37,613	37,613	35,663	1,950
General Operating Expenses	900	900	150	750
Contractual Services	10,959	10,288	5,314	4,974
Materials and Supplies	2,084	2,843	2,385	458
Total Construction Inspection	<u>51,556</u>	<u>51,644</u>	<u>43,512</u>	<u>8,132</u>
Total Public Safety	<u>10,980,863</u>	<u>10,978,549</u>	<u>10,580,062</u>	<u>398,487</u>
Health:				
Property Maintenance:				
Personnel Services	29,913	30,050	30,048	2
General Operating Expenses	665	665	150	515
Contractual Services	43,240	43,618	29,983	13,635
Materials and Supplies	3,390	3,040	1,037	2,003
Total Property Maintenance	<u>77,208</u>	<u>77,373</u>	<u>61,218</u>	<u>16,155</u>
Total Health	<u>77,208</u>	<u>77,373</u>	<u>61,218</u>	<u>16,155</u>
Highways and Streets:				
Street Lighting:				
Contractual Services	270,000	270,000	262,100	7,900
Total Highways and Streets	<u>270,000</u>	<u>270,000</u>	<u>262,100</u>	<u>7,900</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Development:				
Neighborhood Services:				
Personnel Services	160,782	160,782	138,701	22,081
General Operating Expenses	1,915	2,259	2,227	32
Contractual Services	19,481	19,534	16,518	3,016
Materials and Supplies	3,308	3,003	2,248	755
Total Neighborhood Services	<u>185,486</u>	<u>185,578</u>	<u>159,694</u>	<u>25,884</u>
Planning:				
Personnel Services	167,206	167,206	140,655	26,551
General Operating Expenses	2,525	3,020	2,252	768
Contractual Services	35,367	37,264	32,309	4,955
Materials and Supplies	4,087	3,227	2,227	1,000
Total Planning	<u>209,185</u>	<u>210,717</u>	<u>177,443</u>	<u>33,274</u>
Total Community Development	<u>394,671</u>	<u>396,295</u>	<u>337,137</u>	<u>59,158</u>
Recreation:				
Parks and Recreation:				
Personnel Services	97,738	113,738	109,180	4,558
General Operating Expenses	1,310	1,710	967	743
Contractual Services	40,467	20,817	14,322	6,495
Materials and Supplies	8,635	12,331	10,058	2,273
Total Parks and Recreation	<u>148,150</u>	<u>148,596</u>	<u>134,527</u>	<u>14,069</u>
Xenia Station:				
Personnel Services	62,852	67,200	67,199	1
Contractual Services	16,361	16,381	14,038	2,343
Materials and Supplies	11,560	11,560	10,232	1,328
Total Xenia Station	<u>90,773</u>	<u>95,141</u>	<u>91,469</u>	<u>3,672</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Park Maintenance:				
Personnel Services	69,966	69,966	67,056	2,910
General Operating Expenses	500	770	770	0
Contractual Services	81,396	82,951	72,957	9,994
Materials and Supplies	38,502	36,718	32,528	4,190
Total General Park Maintenance	<u>190,364</u>	<u>190,405</u>	<u>173,311</u>	<u>17,094</u>
Total Recreation	<u>429,287</u>	<u>434,142</u>	<u>399,307</u>	<u>34,835</u>
Total Expenditures	<u>15,288,633</u>	<u>15,310,577</u>	<u>14,595,986</u>	<u>714,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	343,668	312,840	1,118,288	805,448
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(223,900)	(1,270,121)	(1,200,121)	70,000
Advances In	0	752,940	0	(752,940)
Advances Out	0	(752,940)	(97,309)	655,631
Total Other Financing Sources (Uses)	<u>(223,900)</u>	<u>(1,270,121)</u>	<u>(1,297,430)</u>	<u>(27,309)</u>
Net Change in Fund Balance	119,768	(957,281)	(179,142)	778,139
Fund Balance at Beginning of Year	2,447,774	2,447,774	2,447,774	0
Prior Year Encumbrances	119,187	119,187	119,187	0
Fund Balance at End of Year	<u>\$ 2,686,729</u>	<u>\$ 1,609,680</u>	<u>\$ 2,387,819</u>	<u>\$ 778,139</u>



**CITY OF XENIA, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - Special Revenue – State Gas and Vehicle License Fund  
For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
<b>Revenues:</b>				
State Shared Taxes and Permits	\$ 1,011,000	\$ 1,011,000	\$ 984,060	\$ (26,940)
Charges for Services	1,000	1,000	1,000	0
Miscellaneous Receipts and Reimbursements, Including Interest	1,900	1,900	11,147	9,247
Total Revenues	1,013,900	1,013,900	996,207	(17,693)
<b>Expenditures:</b>				
Highways and Streets - Current:				
Personnel Services	750,473	750,473	748,069	2,404
General Operating	1,100	1,499	1,371	128
Contractual Services	190,565	220,727	203,505	17,222
Materials and Supplies	247,987	258,217	249,391	8,826
Non-governmental	0	5,000	5,000	0
Total Expenditures	1,190,125	1,235,916	1,207,336	28,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,225)	(222,016)	(211,129)	10,887
<b>Other Financing Sources (Uses):</b>				
Transfers In	189,000	189,000	189,000	0
Total Other Financing Sources (Uses)	189,000	189,000	189,000	0
Net Change in Fund Balance	12,775	(33,016)	(22,129)	10,887
Fund Balance at Beginning of Year	57,937	57,937	57,937	0
Prior Year Encumbrances	33,198	33,198	33,198	0
Fund Balance at End of Year	\$ 103,910	\$ 58,119	\$ 69,006	\$ 10,887

**CITY OF XENIA, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds - Capital Projects – Capital Improvements Fund  
For the Year Ended December 31, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
<b>Revenues:</b>				
Other Local Taxes	\$ 50,000	\$ 50,000	\$ 45,281	\$ (4,719)
Intergovernmental Grants	970,019	970,019	10,000	(960,019)
Charges for Services	20,000	20,000	11,886	(8,114)
Miscellaneous Receipts and Reimbursements Including Interest	220,590	220,590	344,646	124,056
Total Revenues	<u>1,260,609</u>	<u>1,260,609</u>	<u>411,813</u>	<u>(848,796)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Contractual Services	368,614	375,914	84,924	290,990
Materials and Supplies	107,500	100,200	34,540	65,660
Capital Improvements	2,335,325	2,526,382	1,240,578	1,285,804
Debt Service:				
Principal Retirement	328,843	328,843	283,625	45,218
Interest and Fiscal Charges	87,529	87,529	70,306	17,223
Total Expenditures	<u>3,227,811</u>	<u>3,418,868</u>	<u>1,713,973</u>	<u>1,704,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,967,202)	(2,158,259)	(1,302,160)	856,099
<b>Other Financing Sources (Uses):</b>				
Proceeds from Capital Lease	363,501	363,501	54,129	(309,372)
Transfers In	0	830,000	830,000	0
Total Other Financing Sources (Uses)	<u>363,501</u>	<u>1,193,501</u>	<u>884,129</u>	<u>(309,372)</u>
Net Change in Fund Balance	(1,603,701)	(964,758)	(418,031)	546,727
Fund Balance at Beginning of Year	2,004,213	2,004,213	2,004,213	0
Prior Year Encumbrances	69,710	69,710	69,710	0
Fund Balance at End of Year	<u>\$ 470,222</u>	<u>\$ 1,109,165</u>	<u>\$ 1,655,892</u>	<u>\$ 546,727</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007**

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	RECREATION SPECIAL		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Miscellaneous Receipts and Reimbursements,			
Including Interest	<u>\$ 2,000</u>	<u>\$ 2,205</u>	<u>\$ 205</u>
Total Revenues	<u>2,000</u>	<u>2,205</u>	<u>205</u>
<b>Expenditures:</b>			
Recreation - Current:			
Contractual Services	10,527	9,710	817
Materials and Supplies	<u>1,273</u>	<u>1,273</u>	<u>0</u>
Total Expenditures	<u>11,800</u>	<u>10,983</u>	<u>817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,800)	(8,778)	1,022
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	200	1,222	1,022
Fund Balance at Beginning of Year	<u>1,052</u>	<u>1,052</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,252</u>	<u>\$ 2,274</u>	<u>\$ 1,022</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 25,000	\$ 23,375	\$ (1,625)
Miscellaneous Receipts and Reimbursements, Including Interest	15,000	17,914	2,914
Total Revenues	<u>40,000</u>	<u>41,289</u>	<u>1,289</u>
<b>Expenditures:</b>			
Public Safety - Current:			
Contributions	50,000	50,000	0
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(8,711)	1,289
Fund Balance at Beginning of Year	358,183	358,183	0
Fund Balance at End of Year	<u>\$ 348,183</u>	<u>\$ 349,472</u>	<u>\$ 1,289</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT AND EDUCATION</b>			
<b>Revenues:</b>			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 2,500	\$ 2,554	\$ 54
Miscellaneous Receipts and Reimbursements, Including Interest	2,000	1,789	(211)
Total Revenues	<u>4,500</u>	<u>4,343</u>	<u>(157)</u>
<b>Expenditures:</b>			
Public Safety - Current:			
Contractual Services	7,450	989	6,461
Materials and Supplies	7,600	2,470	5,130
Capital Outlay	3,000	599	2,401
Total Expenditures	<u>18,050</u>	<u>4,058</u>	<u>13,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,550)	285	13,835
Fund Balance at Beginning of Year	34,111	34,111	0
Prior Year Encumbrances	1,145	1,145	0
Fund Balance at End of Year	<u>\$ 21,706</u>	<u>\$ 35,541</u>	<u>\$ 13,835</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007**

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	STATE ROUTE REPAIR		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
State Shared Taxes and Permits	\$ 81,000	\$ 79,788	\$ (1,212)
Miscellaneous Receipts and Reimbursements, Including Interest	1,500	3,530	2,030
Total Revenues	<u>82,500</u>	<u>83,318</u>	<u>818</u>
<b>Expenditures:</b>			
Highways and Streets - Current:			
Contractual Services	46,395	35,929	10,466
Materials and Supplies	63,000	57,725	5,275
Total Expenditures	<u>109,395</u>	<u>93,654</u>	<u>15,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,895)	(10,336)	16,559
Fund Balance at Beginning of Year	70,152	70,152	0
Prior Year Encumbrances	2,973	2,973	0
Fund Balance at End of Year	<u>\$ 46,230</u>	<u>\$ 62,789</u>	<u>\$ 16,559</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
State Shared Taxes and Permits	\$ 170,000	\$ 169,526	\$ (474)
Miscellaneous Receipts and Reimbursements, including Interest	3,300	6,208	2,908
Total Revenues	<u>173,300</u>	<u>175,734</u>	<u>2,434</u>
<b>Expenditures:</b>			
Highways and Streets - Current:			
Contractual Services	100	0	100
Capital Outlay	130,000	61,263	68,737
Debt Service:			
Principal Retirement	18,150	18,150	0
Interest and Fiscal Charges	20,372	20,371	1
Total Expenditures	<u>168,622</u>	<u>99,784</u>	<u>68,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,678	75,950	71,272
Fund Balance at Beginning of Year	<u>60,644</u>	<u>60,644</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 65,322</u>	<u>\$ 136,594</u>	<u>\$ 71,272</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
State Shared Taxes and Permits	\$ 305,000	\$ 262,000	\$ (43,000)
Miscellaneous Receipt and Reimbursements, Including Interest	1,600	1,665	65
Total Revenues	<u>306,600</u>	<u>263,665</u>	<u>(42,935)</u>
<b>Expenditures:</b>			
Highways and Streets - Current:			
Contractual Services	97,560	97,560	0
Capital Outlay	262,000	262,000	0
Total Expenditures	<u>359,560</u>	<u>359,560</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,960)	(95,895)	(42,935)
Fund Balance at Beginning of Year	551	551	0
Prior Year Encumbrances	100,915	100,915	0
Fund Balance at End of Year	<u>\$ 48,506</u>	<u>\$ 5,571</u>	<u>\$ (42,935)</u>



**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Miscellaneous Receipts and Reimbursements,			
Including Interest	\$ 87,100	\$ 87,117	\$ 17
Total Revenues	<u>87,100</u>	<u>87,117</u>	<u>17</u>
<b>Expenditures:</b>			
General Government - Current:			
Personnel Services	44,771	43,769	1,002
Contractual Services	41,347	41,347	0
Materials and Supplies	4,000	0	4,000
Capital Outlay	58,653	57,619	1,034
Total Expenditures	<u>148,771</u>	<u>142,735</u>	<u>6,036</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,671)	(55,618)	6,053
Fund Balance at Beginning of Year	175,736	175,736	0
Fund Balance at End of Year	<u>\$ 114,065</u>	<u>\$ 120,118</u>	<u>\$ 6,053</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007***

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	TAX INCREMENT EQUIVALENT		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Other Local Taxes	\$ 200,000	\$ 186,184	\$ (13,816)
Total Revenues	<u>200,000</u>	<u>186,184</u>	<u>(13,816)</u>
<b>Expenditures:</b>			
General Government - Current:			
Contractual Services	4,000	2,299	1,701
Non-governmental	<u>147,000</u>	<u>147,000</u>	<u>0</u>
Total Expenditures	<u>151,000</u>	<u>149,299</u>	<u>1,701</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,000	36,885	(12,115)
Fund Balance at Beginning of Year	<u>99,954</u>	<u>99,954</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 148,954</u>	<u>\$ 136,839</u>	<u>\$ (12,115)</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007**

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	LAW ENFORCEMENT		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental Grants	\$ 900	\$ 50,876	\$ 49,976
Miscellaneous Receipts and Reimbursements, Including Interest	182,500	124,430	(58,070)
Total Revenues	<u>183,400</u>	<u>175,306</u>	<u>(8,094)</u>
<b>Expenditures:</b>			
Public Safety - Current:			
Personnel Services	23,402	23,182	220
Contractual Services	27,775	12,807	14,968
Materials and Supplies	16,000	6,244	9,756
Capital Outlay	325,000	1,000	324,000
Total Expenditures	<u>392,177</u>	<u>43,233</u>	<u>348,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(208,777)	132,073	340,850
<b>Other Financing Sources (Uses):</b>			
Transfers In	90,000	90,000	0
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Net Change in Fund Balance	(118,777)	222,073	340,850
Fund Balance at Beginning of Year	289,215	289,215	0
Prior Year Encumbrances	846	846	0
Fund Balance at End of Year	<u>\$ 171,284</u>	<u>\$ 512,134</u>	<u>\$ 340,850</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG LAW ENFORCEMENT</b>			
<b>Revenues:</b>			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 1,000	\$ 0	\$ (1,000)
Miscellaneous Receipts and Reimbursements, Including Interest	700	937	237
Total Revenues	<u>1,700</u>	<u>937</u>	<u>(763)</u>
<b>Expenditures:</b>			
Public Safety - Current:			
Contractual Services	36,500	21,000	15,500
Materials and Supplies	5,000	0	5,000
Capital Outlay	10,000	0	10,000
Total Expenditures	<u>51,500</u>	<u>21,000</u>	<u>30,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,800)	(20,063)	29,737
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>25,000</u>	<u>0</u>	<u>(25,000)</u>
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>0</u>	<u>(25,000)</u>
Net Change in Fund Balance	(24,800)	(20,063)	4,737
Fund Balance at Beginning of Year	18,368	18,368	0
Prior Year Encumbrances	10,500	10,500	0
Fund Balance at End of Year	<u>\$ 4,068</u>	<u>\$ 8,805</u>	<u>\$ 4,737</u>

**CITY OF XENIA, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2007***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Grants	\$ 42,000	\$ 48,562	\$ 6,562
Fines, Costs, Forfeitures, Licenses and Permits	101,200	74,194	(27,006)
Miscellaneous Receipts and Reimbursements, Including Interest	4,000	1,492	(2,508)
Total Revenues	<u>147,200</u>	<u>124,248</u>	<u>(22,952)</u>
<b>Expenditures:</b>			
General Government - Current:			
Personnel Services	176,341	174,702	1,639
General Operating	2,990	369	2,621
Contractual Services	9,264	6,825	2,439
Materials and Supplies	4,734	3,820	914
Total Expenditures	<u>193,329</u>	<u>185,716</u>	<u>7,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,129)	(61,468)	(15,339)
Fund Balance at Beginning of Year	62,263	62,263	0
Prior Year Encumbrances	887	887	0
Fund Balance at End of Year	<u>\$ 17,021</u>	<u>\$ 1,682</u>	<u>\$ (15,339)</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2007**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DEBT SERVICE FUND</b>			
<b>Revenues:</b>			
Other Local Taxes	\$ 64,000	\$ 69,692	\$ 5,692
State Shares Taxes and Permits	10,238	10,126	(112)
Miscellaneous Receipts and Reimbursements, Including Interest	500	1,377	877
Total Revenues	<u>74,738</u>	<u>81,195</u>	<u>6,457</u>
<b>Expenditures:</b>			
Public Safety:			
Police and Fire Pension:			
Contractual Services	1,000	658	342
Total Public Safety	<u>1,000</u>	<u>658</u>	<u>342</u>
Highways and Streets:			
Streets			
Contractual Services	1,000	634	366
Total Highways and Streets	<u>1,000</u>	<u>634</u>	<u>366</u>
Debt Service:			
Principal Retirement	36,850	36,850	0
Interest and Fiscal Charges	41,360	41,360	0
Total Expenditures	<u>80,210</u>	<u>79,502</u>	<u>708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,472)	1,693	7,165
Fund Balance at Beginning of Year	<u>19,540</u>	<u>19,540</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,068</u>	<u>\$ 21,233</u>	<u>\$ 7,165</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, 2007***

	Final Budget	Actual	Variance with Final Budget Positive Negative
<b>MUNICIPAL COURT CAPITAL IMPROVEMENTS FUND</b>			
<b>Revenues:</b>			
Fines, Costs, Forfeitures, Licenses and Permits	\$ 115,000	\$ 111,062	\$ (3,938)
Miscellaneous Receipts and Reimbursements, Including Interest	14,000	25,790	11,790
Total Revenues	<u>129,000</u>	<u>136,852</u>	<u>7,852</u>
<b>Expenditures:</b>			
Capital Outlay:			
Contractual Services	86,761	50,945	35,816
Materials and Supplies	12,926	2,016	10,910
Capital Improvements	92,146	39,708	52,438
Debt Service:			
Principal Retirement	7,432	7,430	2
Interest and Fiscal Charges	2,454	2,454	0
Total Expenditures	<u>201,719</u>	<u>102,553</u>	<u>99,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,719)	34,299	107,018
<b>Other Financing Sources (Uses):</b>			
Capital Leases Initiated	65,000	64,500	(500)
Total Other Financing Sources (Uses)	<u>65,000</u>	<u>64,500</u>	<u>(500)</u>
Net Change in Fund Balance	(7,719)	98,799	106,518
Fund Balance at Beginning of Year	473,033	473,033	0
Prior Year Encumbrances	13,071	13,071	0
Fund Balance at End of Year	<u>\$ 478,385</u>	<u>\$ 584,903</u>	<u>\$ 106,518</u>

**CITY OF XENIA, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2007**

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	ISSUE II FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental Grants	\$ 774,894	\$ 559,786	\$ (215,108)
Total Revenues	<u>774,894</u>	<u>559,786</u>	<u>(215,108)</u>
<b>Expenditures:</b>			
Capital Outlay:			
Capital Improvements	774,894	559,786	215,108
Total Expenditures	<u>774,894</u>	<u>559,786</u>	<u>215,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	(25,642)	(25,642)	0
Prior Year Encumbrances	26,560	26,560	0
Fund Balance at End of Year	<u>\$ 918</u>	<u>\$ 918</u>	<u>\$ 0</u>



***Nonmajor Enterprise Funds***

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

**Loan Fund**

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

**Parking Revenue Fund**

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

**CDBG and UDAG Revolving Loan Fund**

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

**Housing Rehabilitation Loan Fund**

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

**CITY OF XENIA, OHIO**

**Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
December 31, 2007**

	Loan	Parking Revenue	CDBG and UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 2,173	\$ 1,718	\$ 12,410	\$ 65,404	\$ 81,705
Investments	11,560	9,147	66,044	348,059	434,810
Receivables:					
Accounts	0	704	0	0	704
Special assessments, including liens	11,217	0	0	0	11,217
Loans	3,207	0	0	43,719	46,926
Accrued interest	217	0	817	5,722	6,756
Grants	0	0	174,971	37,131	212,102
Prepaid items	0	239	0	0	239
<b>Total Current Assets</b>	<b>28,374</b>	<b>11,808</b>	<b>254,242</b>	<b>500,035</b>	<b>794,459</b>
<b>Noncurrent Assets:</b>					
Loans receivable (net of current)	13,503	0	69,456	190,589	273,548
Capital Assets being depreciation	0	97,810	89,285	0	187,095
Capital Assets, net of accumulated depreciation	0	0	72,681	0	72,681
<b>Total Noncurrent Assets</b>	<b>13,503</b>	<b>97,810</b>	<b>231,422</b>	<b>190,589</b>	<b>533,324</b>
<b>Total Assets</b>	<b>\$ 41,877</b>	<b>\$ 109,618</b>	<b>\$ 485,664</b>	<b>\$ 690,624</b>	<b>\$ 1,327,783</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 709	\$ 6,990	\$ 80,646	\$ 224	\$ 88,569
Accrued payroll	0	3,816	0	263	4,079
Due from other funds	0	0	80,835	16,474	97,309
Compensated Absences	0	926	0	121	1,047
<b>Total Current Liabilities</b>	<b>709</b>	<b>11,732</b>	<b>161,481</b>	<b>17,082</b>	<b>191,004</b>
<b>Noncurrent Liabilities</b>					
Compensated Absences	0	4,864	0	634	5,498
<b>Total Noncurrent Liabilities</b>	<b>0</b>	<b>4,864</b>	<b>0</b>	<b>634</b>	<b>5,498</b>
<b>Total Liabilities</b>	<b>709</b>	<b>16,596</b>	<b>161,481</b>	<b>17,716</b>	<b>196,502</b>
<b>Net Assets:</b>					
Invested in Capital Assets, net of debt	0	97,810	161,966	0	259,776
Unrestricted	41,168	(4,788)	162,217	672,908	871,505
<b>Total Net Assets</b>	<b>\$ 41,168</b>	<b>\$ 93,022</b>	<b>\$ 324,183</b>	<b>\$ 672,908</b>	<b>\$ 1,131,281</b>

**CITY OF XENIA, OHIO**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2007**

	Loan	Parking Revenue	CDBG and UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
<b>Operating revenues:</b>					
Charges for services	\$ 0	\$ 58,706	\$ 0	\$ 8,452	\$ 67,158
<b>Operating expenses:</b>					
Personnel services	0	59,928	0	3,400	63,328
General operating	0	0	0	168	168
Contractual services	5,613	10,545	153,256	15,784	185,198
Materials and supplies	0	1,991	0	835	2,826
Depreciation	0	0	6,906	0	6,906
Non-governmental	20,305	0	13,063	38,499	71,867
Total expenses	<u>25,918</u>	<u>72,464</u>	<u>173,225</u>	<u>58,686</u>	<u>330,293</u>
Operating income (loss)	(25,918)	(13,758)	(173,225)	(50,234)	(263,135)
<b>Non-operating revenues:</b>					
Interest revenue	901	190	1,748	21,608	24,447
Other	330	21	0	0	351
Total Non-operating revenue	<u>1,231</u>	<u>211</u>	<u>1,748</u>	<u>21,608</u>	<u>24,798</u>
<b>Loss before transfers and contributions</b>	(24,687)	(13,547)	(171,477)	(28,626)	(238,337)
Intergovernmental	0	0	227,066	36,321	263,387
Transfers in	0	0	81,121	0	81,121
<b>Change in Net Assets</b>	(24,687)	(13,547)	136,710	7,695	106,171
<b>Net assets, beginning of year</b>	<u>65,855</u>	<u>106,569</u>	<u>187,473</u>	<u>665,213</u>	<u>1,025,110</u>
<b>Net assets, end of year</b>	<u>\$ 41,168</u>	<u>\$ 93,022</u>	<u>\$ 324,183</u>	<u>\$ 672,908</u>	<u>\$ 1,131,281</u>

**CITY OF XENIA, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2007**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$0	\$58,993	\$0
Cash Payments for Goods and Services	(4,391)	(12,424)	(170,666)
Cash Payments to Employees	0	(58,136)	0
Net Cash Used by Operating Activities	<u>(4,391)</u>	<u>(11,567)</u>	<u>(170,666)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	81,121
Advances In from Other Funds	0	0	80,835
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>161,956</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	0	141,588
Acquisition and Construction of Assets	0	0	(95,227)
Net Cash Used by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>46,361</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	1,803	8,138	0
Purchase of Investments	0	0	(36,408)
Receipts of Interest	782	0	2,342
Net Cash Provided (Used) by Investing Activities	<u>2,585</u>	<u>8,138</u>	<u>(34,066)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,806)	(3,429)	3,585
Cash and Cash Equivalents at Beginning of Year	3,979	5,147	8,825
Cash and Cash Equivalents at End of Year	<u>\$2,173</u>	<u>\$1,718</u>	<u>\$12,410</u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u>			
Operating Loss	(\$25,918)	(\$13,758)	(\$173,225)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Depreciation Expense	0	0	6,906
Income - Other Nonoperating	330	21	0
Changes in Assets and Liabilities:			
Decrease in Principal Receivable	20,305	0	7,705
Decrease in Accounts Receivable	0	287	0
(Increase) Decrease in Prepaid Items	183	(6)	0
Increase (Decrease) in Accounts Payable	709	372	(12,052)
Increase (Decrease) in Accrued Payroll	0	(370)	0
Increase (Decrease) in Compensated Absences Payable	0	1,887	0
Total Adjustments	<u>21,527</u>	<u>2,191</u>	<u>2,559</u>
Net Cash Used by Operating Activities	<u>(\$4,391)</u>	<u>(\$11,567)</u>	<u>(\$170,666)</u>

**CITY OF XENIA, OHIO**

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Housing Rehabilitation Loan	Total Other Enterprise Funds
\$11,088	\$70,081
(36,320)	(223,801)
(3,437)	(61,573)
<u>(28,669)</u>	<u>(215,293)</u>
0	81,121
16,474	97,309
<u>16,474</u>	<u>178,430</u>
0	141,588
<u>0</u>	<u>(95,227)</u>
<u>0</u>	<u>46,361</u>
0	9,941
(35,796)	(72,204)
20,414	23,538
<u>(15,382)</u>	<u>(38,725)</u>
(27,577)	(29,227)
<u>92,981</u>	<u>110,932</u>
<u>\$65,404</u>	<u>\$81,705</u>
(\$50,234)	(\$263,135)
0	6,906
0	351
24,661	52,671
0	287
0	177
(3,059)	(14,030)
6	(364)
<u>(43)</u>	<u>1,844</u>
<u>21,565</u>	<u>47,842</u>
<u>(\$28,669)</u>	<u>(\$215,293)</u>

***Internal Service Funds***

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

**Utility Billing Fund**

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

**City Garage Fund**

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

***Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2007***

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	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
<b>Assets:</b>			
<b><i>Current Assets:</i></b>			
Cash and cash equivalents	\$ 5,608	\$ 16,552	\$ 22,160
Investments	29,844	88,086	117,930
Receivables:			
Accounts	0	3,546	3,546
Inventories	0	38,975	38,975
Prepaid items	168	2,219	2,387
<b><i>Total Current Assets</i></b>	<u>35,620</u>	<u>149,378</u>	<u>184,998</u>
<b><i>Noncurrent Assets:</i></b>			
Capital Assets, net of accumulated depreciation	1,604	3,199	4,803
<b><i>Total Noncurrent Assets</i></b>	<u>1,604</u>	<u>3,199</u>	<u>4,803</u>
<b>Total Assets</b>	<u>37,224</u>	<u>152,577</u>	<u>189,801</u>
<b>Liabilities:</b>			
<b><i>Current Liabilities:</i></b>			
Accounts payable	13,644	12,303	25,947
Accrued payroll	0	9,138	9,138
Advances from other funds	0	5,111	5,111
Compensated Absences	0	4,731	4,731
<b><i>Total Current Liabilities</i></b>	<u>13,644</u>	<u>31,283</u>	<u>44,927</u>
<b><i>Noncurrent Liabilities</i></b>			
Compensated Absences	0	24,839	24,839
<b><i>Total Noncurrent Liabilities</i></b>	<u>0</u>	<u>24,839</u>	<u>24,839</u>
<b>Total Liabilities</b>	<u>13,644</u>	<u>56,122</u>	<u>69,766</u>
<b>Net Assets:</b>			
Invested in Capital Assets, net of debt	1,604	3,199	4,803
Unrestricted	21,976	93,256	115,232
<b>Total Net Assets</b>	<u>\$ 23,580</u>	<u>\$ 96,455</u>	<u>\$ 120,035</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2007**

---

	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
<b>Operating revenues:</b>			
Charges for services	<u>\$ 76,200</u>	<u>\$ 690,018</u>	<u>\$ 766,218</u>
<b>Operating expenses:</b>			
Personnel services	0	161,878	161,878
General operating	4,189	765	4,954
Contractual services	72,643	116,055	188,698
Materials and supplies	4,254	385,220	389,474
Depreciation	<u>0</u>	<u>1,293</u>	<u>1,293</u>
Total expenses	<u>81,086</u>	<u>665,211</u>	<u>746,297</u>
Operating income (loss)	(4,886)	24,807	19,921
<b>Non-operating revenues:</b>			
Interest revenue	285	631	916
Other	<u>0</u>	<u>1,776</u>	<u>1,776</u>
Total Non-operating revenue	<u>285</u>	<u>2,407</u>	<u>2,692</u>
<b>Change in Net Assets</b>	(4,601)	27,214	22,613
<b>Net assets, beginning of year</b>	<u>28,181</u>	<u>69,241</u>	<u>97,422</u>
<b>Net assets, end of year</b>	<u>\$ 23,580</u>	<u>\$ 96,455</u>	<u>\$ 120,035</u>



***Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2007***

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	Utility Billing	City Garage	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Services Provided	\$76,200	\$690,018	\$766,218
Cash Payments for Goods and Services	(74,534)	(500,109)	(574,643)
Cash Payments to Employees	0	(160,126)	(160,126)
Net Cash Provided by Operating Activities	<u>1,666</u>	<u>29,783</u>	<u>31,449</u>
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	<u>(3,810)</u>	<u>(30,406)</u>	<u>(34,216)</u>
Net Cash Used by Investing Activities	<u>(3,810)</u>	<u>(30,406)</u>	<u>(34,216)</u>
Net Decrease in Cash and Cash Equivalents	(2,144)	(623)	(2,767)
Cash and Cash Equivalents at Beginning of Year	<u>7,752</u>	<u>17,175</u>	<u>24,927</u>
Cash and Cash Equivalents at End of Year	<u><u>\$5,608</u></u>	<u><u>\$16,552</u></u>	<u><u>\$22,160</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$4,886)	\$24,807	\$19,921
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	0	1,293	1,293
Income - Other Nonoperating	0	675	675
Changes in Assets and Liabilities:			
Increase in Prepaid Items	(4)	(41)	(45)
Decrease in Inventory	0	11,793	11,793
Increase (Decrease) in Accounts Payable	6,556	(10,496)	(3,940)
Decrease in Accrued Payroll	0	(1,569)	(1,569)
Increase in Compensated Absences	0	3,321	3,321
Total Adjustments	<u>6,552</u>	<u>4,976</u>	<u>11,528</u>
Net Cash Provided by Operating Activities	<u><u>\$1,666</u></u>	<u><u>\$29,783</u></u>	<u><u>\$31,449</u></u>

***Fiduciary Funds***

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

***Agency Funds***

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**Municipal Court – Traffic and Criminal Funds**

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

**Municipal Court – Civil and Small Claims Funds**

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

**Imprest Cash Fund**

To account for petty cash.

**Insurance Deposit Fund**

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

**CITY OF XENIA, OHIO**

**Combining Statement Of Changes In Assets And Liabilities  
Agency Funds  
For the Year Ended December 31, 2007**

	Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007
<b><u>Municipal Court - Traffic and Criminal:</u></b>				
Assets:				
Cash and Cash Equivalents	\$174,214	\$1,439,029	(\$1,392,102)	\$221,141
Total Assets	<u>\$174,214</u>	<u>\$1,439,029</u>	<u>(\$1,392,102)</u>	<u>\$221,141</u>
Liabilities:				
Accounts Payable	\$74,535	\$982,361	(\$1,001,398)	\$55,498
Restricted Deposits	99,679	456,668	(390,704)	165,643
Total Liabilities	<u>\$174,214</u>	<u>\$1,439,029</u>	<u>(\$1,392,102)</u>	<u>\$221,141</u>
<b><u>Municipal Court - Civil and Small Claims:</u></b>				
Assets:				
Cash and Cash Equivalents	\$5,820	\$642,557	(\$628,332)	\$20,045
Total Assets	<u>\$5,820</u>	<u>\$642,557</u>	<u>(\$628,332)</u>	<u>\$20,045</u>
Liabilities:				
Accounts Payable	\$5,096	\$638,824	(\$625,191)	\$18,729
Restricted Deposits	724	3,733	(3,141)	1,316
Total Liabilities	<u>\$5,820</u>	<u>\$642,557</u>	<u>(\$628,332)</u>	<u>\$20,045</u>
<b><u>Imprest Cash:</u></b>				
Assets:				
Cash and Cash Equivalents	\$1,200	\$200	\$0	\$1,400
Total Assets	<u>\$1,200</u>	<u>\$200</u>	<u>\$0</u>	<u>\$1,400</u>
Liabilities:				
Restricted Deposits	\$1,200	\$200	\$0	\$1,400
Total Liabilities	<u>\$1,200</u>	<u>\$200</u>	<u>\$0</u>	<u>\$1,400</u>
<b><u>Insurance Deposit:</u></b>				
Assets:				
Cash and Cash Equivalents	\$29,969	\$ 12,062	\$ (42,031)	\$0
Total Assets	<u>\$29,969</u>	<u>\$ 12,062</u>	<u>\$ (42,031)</u>	<u>\$0</u>
Liabilities:				
Restricted Deposits	\$29,969	\$12,062	(\$42,031)	\$0
Total Liabilities	<u>\$29,969</u>	<u>\$12,062</u>	<u>(\$42,031)</u>	<u>\$0</u>
<b><u>Totals - All Agency Funds:</u></b>				
Assets:				
Cash and Cash Equivalents	\$211,203	\$2,093,848	(\$2,062,465)	\$242,586
Total Assets	<u>\$211,203</u>	<u>\$2,093,848</u>	<u>(\$2,062,465)</u>	<u>\$242,586</u>
Liabilities:				
Accounts Payable	\$79,631	\$1,621,185	(\$1,626,589)	\$74,227
Restricted Deposits	131,572	472,663	(435,876)	168,359
Total Liabilities	<u>\$211,203</u>	<u>\$2,093,848</u>	<u>(\$2,062,465)</u>	<u>\$242,586</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**CITY OF XENIA, OHIO**

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**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2007**

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<b>Capital Assets:</b>	
Land	\$ 15,737,177
Construction in Progress	120,618
Subtotal - Non-depreciable Assets	<u>15,857,795</u>
Land Improvements	1,123,088
Building and Improvements	5,948,254
Machinery and Equipment	7,269,297
Infrastructure	13,256,760
Subtotal - Depreciable Assets net of Depreciation	<u>27,597,399</u>
Net Capital Assets	<u><u>\$ 43,455,194</u></u>

<b>Investment in Capital Assets by Source:</b>	
Capital Projects Funds:	
Various Revenue Sources - (Pre-1983 Assets)	\$ 8,768,476
General Revenues	34,265,696
Special Revenue Funds	300,404
Total Capital Assets	<u>43,334,576</u>
Construction in Progress	120,618
Net Capital Assets	<u><u>\$ 43,455,194</u></u>

**CITY OF XENIA, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2007**

Function and Activity	Land		
	Land	Improvements	Buildings
General Government:			
Municipal Court	\$ 156,550	\$ 0	\$ 7,660
Finance	0	0	0
Income Tax	0	0	0
Municipal Building and General Services	102,580	0	2,505,169
Data Processing	0	0	0
Total General Government	259,130	0	2,512,829
Public Safety:			
Police	0	0	22,798
Fire	59,540	17,479	679,041
Homeland Security/Risk Management	0	0	0
Construction Inspection	0	0	0
Engineering	0	0	0
Total Public Safety	59,540	17,479	701,839
City Wide:			
Health	0	0	0
Highways and Streets	11,756,797	212,971	91,818
Community Development	2,569,110	16,963	510,169
Recreation	844,230	781,137	1,052,087
Sewer Service	0	0	0
Sanitation Service	234,010	0	0
Garage	14,360	94,538	1,079,512
Total City Wide	15,418,507	1,105,609	2,733,586
Total Capital Assets	15,737,177	1,123,088	5,948,254
Less: Accumulated Depreciation	0	(584,591)	(2,270,741)
Net Capital Assets	\$ 15,737,177	\$ 538,497	\$ 3,677,513
Construction in Progress			
Total Capital Assets			

**CITY OF XENIA, OHIO**

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<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Total</b>
\$ 275,067	\$ 0	\$ 439,277
195,692	0	195,692
12,633	0	12,633
201,107	0	2,808,856
427,206	0	427,206
<u>1,111,705</u>	<u>0</u>	<u>3,883,664</u>
1,399,289	0	1,422,087
2,489,053	0	3,245,113
127,433	0	127,433
17,108	0	17,108
21,375	0	21,375
<u>4,054,258</u>	<u>0</u>	<u>4,833,116</u>
14,046	0	14,046
1,328,026	13,231,760	26,621,372
22,143	0	3,118,385
573,854	25,000	3,276,308
9,851	0	9,851
0	0	234,010
155,414	0	1,343,824
<u>2,103,334</u>	<u>13,256,760</u>	<u>34,617,796</u>
7,269,297	13,256,760	43,334,576
<u>(3,456,155)</u>	<u>(4,598,969)</u>	<u>(10,910,456)</u>
<u>\$ 3,813,142</u>	<u>\$ 8,657,791</u>	32,424,120
		<u>120,618</u>
		<u>\$ 32,544,738</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, 2007**

Function and Activity	December 31, 2006	Transfers	Additions	Deductions	December 31, 2007
General Government:					
Municipal Court	\$374,777	\$0	\$64,500	\$0	\$439,277
Finance	24,983	0	170,709	0	195,692
Income Tax	12,633	0	0	0	12,633
Municipal Building and General Services	2,723,437	0	85,419	0	2,808,856
Data Processing	419,707	0	7,499	0	427,206
Total General Government	3,555,537	0	328,127	0	3,883,664
Public Safety:					
Police	1,779,014	(22,151)	173,652	(508,428)	1,422,087
Fire	3,224,080	0	35,506	(14,473)	3,245,113
Homeland Security/Risk Management	127,433	0	0	0	127,433
Construction Inspection	17,108	0	0	0	17,108
Engineering	26,875	0	0	(5,500)	21,375
Total Public Safety	5,174,510	(22,151)	209,158	(528,401)	4,833,116
City Wide:					
Health	14,046	0	0	0	14,046
Highways and Streets	33,730,271	0	546,463	(7,655,362)	26,621,372
Community Development	3,110,990	0	7,395	0	3,118,385
Recreation	3,151,002	22,151	103,155	0	3,276,308
Sewer Service	9,851	0	0	0	9,851
Sanitation Service	234,010	0	0	0	234,010
Garage	1,346,347	0	30,929	(33,452)	1,343,824
Total City Wide	41,596,517	22,151	687,942	(7,688,814)	34,617,796
Total Capital Assets	50,326,564	0	1,225,227	(8,217,215)	43,334,576
Less: Accumulated Depreciation	(12,920,311)	0	(964,253)	2,974,108	(10,910,456)
Net Capital Assets	37,406,253	0	260,974	(5,243,107)	32,424,120
Construction in Progress	549,128	0	39,721	(468,231)	120,618
Total Capital Assets	\$37,955,381	\$0	\$300,695	(\$5,711,338)	\$32,544,738



## *STATISTICAL TABLES*

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

### *Contents*

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

## *City of Xenia*

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

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

Source: City Finance Director's Office

*City of Xenia*

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<u>2006</u>	<u>2007</u>
\$35,169,467	\$29,833,471
4,946,554	5,272,948
4,307,135	3,872,527
<u>\$44,423,156</u>	<u>\$38,978,946</u>
\$14,955,202	\$19,755,819
5,538,677	6,502,716
<u>\$20,493,879</u>	<u>\$26,258,535</u>
\$50,124,669	\$49,589,290
4,946,554	5,272,948
9,845,812	10,375,243
<u>\$64,917,035</u>	<u>\$65,237,481</u>

## City of Xenia

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

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

*City of Xenia*

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2005	2006	2007
\$3,420,815	\$3,591,944	\$3,609,339
10,011,879	10,948,875	11,119,299
99,731	66,181	63,718
1,392,686	1,854,523	2,284,521
250,539	305,886	345,551
350,140	453,440	521,131
100,015	132,606	134,336
15,625,805	17,353,455	18,077,895
2,527,636	2,700,478	2,688,400
3,626,868	3,769,874	3,968,134
1,451,826	1,555,636	1,711,596
0	0	140,479
525,029	162,529	330,293
8,131,359	8,188,517	8,838,902
\$23,757,164	\$25,541,972	\$26,916,797

\$1,472,029	\$1,386,743	\$1,365,697
1,383,846	1,874,889	1,654,935
0	28,938	27,585
550	6,030	1,040
32,933	29,769	29,384
36,961	25,613	28,957
231,267	233,068	266,159
593,807	1,106,413	533,226
3,751,393	4,691,463	3,906,983

(continued)

## City of Xenia

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

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

Source: City Finance Director's Office

*City of Xenia*

2005	2006	2007
2,652,204	2,789,112	3,219,234
3,511,327	3,536,850	4,114,935
1,525,059	1,682,091	1,763,401
0	0	131,161
68,235	83,130	91,956
1,370	0	0
626,408	846,543	353,157
<u>8,384,603</u>	<u>8,937,726</u>	<u>9,673,844</u>
<u>12,135,996</u>	<u>13,629,189</u>	<u>13,580,827</u>
(11,874,412)	(12,661,992)	(14,170,912)
253,244	749,209	834,942
<u>(\$11,621,168)</u>	<u>(\$11,912,783)</u>	<u>(\$13,335,970)</u>
\$8,240,773	\$8,604,274	\$8,786,104
1,351,473	1,814,053	1,619,664
1,417,159	1,287,033	1,369,889
1,878,121	2,185,128	1,994,721
120,947	261,523	402,797
288,763	302,904	302,915
(75,000)	(50,000)	(5,583,398)
0	0	0
<u>13,222,236</u>	<u>14,404,915</u>	<u>8,892,692</u>
94,443	0	0
0	50,000	5,583,398
75,000	0	0
<u>169,443</u>	<u>50,000</u>	<u>5,583,398</u>
<u>\$13,391,679</u>	<u>\$14,454,915</u>	<u>\$14,476,090</u>
\$1,347,824	\$1,742,923	(\$5,278,220)
422,687	799,209	6,418,340
<u>\$1,770,511</u>	<u>\$2,542,132</u>	<u>\$1,140,120</u>

## *City of Xenia*

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund				
Reserved	\$145,384	\$205,325	\$262,885	\$187,791
Unreserved	33,135	16,145	179,058	751,824
<i>Total General Fund</i>	<u>178,519</u>	<u>221,470</u>	<u>441,943</u>	<u>939,615</u>
All Other Governmental Funds				
Reserved	364,082	177,446	462,793	1,158,484
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,013,275	3,069,619	3,274,988	3,619,442
Capital Projects Funds	790,443	704,441	1,167,655	1,329,582
Total All Other Governmental Funds	<u>4,167,800</u>	<u>3,951,506</u>	<u>4,905,436</u>	<u>6,107,508</u>
<i>Total Governmental Funds</i>	<u>\$4,346,319</u>	<u>\$4,172,976</u>	<u>\$5,347,379</u>	<u>\$7,047,123</u>

Source: City Finance Director's Office



*City of Xenia*

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<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$164,700	\$236,573	\$192,182	\$222,249	\$181,258	\$255,520
<u>568,853</u>	<u>1,065,095</u>	<u>3,868,062</u>	<u>3,516,994</u>	<u>3,412,434</u>	<u>3,175,961</u>
<u>733,553</u>	<u>1,301,668</u>	<u>4,060,244</u>	<u>3,739,243</u>	<u>3,593,692</u>	<u>3,431,481</u>
1,339,780	203,382	623,976	2,262,308	340,493	588,127
3,461,893	3,548,627	1,066,824	1,077,043	1,437,656	1,951,198
<u>491,785</u>	<u>1,025,394</u>	<u>1,346,287</u>	<u>207,596</u>	<u>2,544,355</u>	<u>2,303,063</u>
<u>5,293,458</u>	<u>4,777,403</u>	<u>3,037,087</u>	<u>3,546,947</u>	<u>4,322,504</u>	<u>4,842,388</u>
<u>\$6,027,011</u>	<u>\$6,079,071</u>	<u>\$7,097,331</u>	<u>\$7,286,190</u>	<u>\$7,916,196</u>	<u>\$8,273,869</u>

## City of Xenia

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

	1998	1999	2000	2001
<b>Revenues:</b>				
Municipal Income Tax	\$6,830,404	\$7,231,209	\$7,306,394	\$7,940,618
Other Local Taxes	1,552,885	1,598,345	1,655,395	1,634,514
State Shared Taxes and Permits	2,458,522	2,756,090	2,557,075	3,166,475
Special Assessments	12,151	14,708	9,318	28,571
Intergovernmental Grants	738,800	456,179	687,796	724,365
Charges for Services	88,719	90,927	73,360	66,113
Fines, Costs, Forfeitures, Licenses and Permits	1,229,298	1,396,332	1,469,721	1,402,494
Miscellaneous Receipts and Reimbursements, including Interest	1,214,048	1,086,321	1,733,345	2,165,404
<b>Total Revenue</b>	<u>14,124,827</u>	<u>14,630,111</u>	<u>15,492,404</u>	<u>17,128,554</u>
<b>Expenditures:</b>				
Current:				
General Government	2,950,717	3,223,308	2,547,063	2,661,868
Public Safety	7,716,929	8,010,586	9,060,993	8,921,217
Health	246,708	242,556	204,019	66,533
Highways and Streets	1,258,925	1,401,753	1,599,974	1,418,896
Community Development	236,427	250,153	263,724	277,850
Recreation	482,746	496,365	500,880	500,504
Capital Outlay	1,566,698	1,169,992	1,323,413	1,622,266
Debt Service:				
Principal Retirement	79,998	101,887	125,023	78,249
Interest and Fiscal Charges	13,221	13,678	51,355	82,471
<b>Total Expenditures</b>	<u>14,552,369</u>	<u>14,910,278</u>	<u>15,676,444</u>	<u>15,629,854</u>
Excess (Deficiency) of Revenues Over Expenditures	(427,542)	(280,167)	(184,040)	1,498,700
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources - Capital Leases	0	196,463	0	175,050
General Obligation Bonds Issued	0	0	1,400,000	0
Transfers In	3,595,943	4,006,279	4,007,534	4,046,753
Transfers Out	(3,715,868)	(4,100,326)	(4,038,769)	(4,026,352)
<b>Total Other Financing Sources (Uses)</b>	<u>(119,925)</u>	<u>102,416</u>	<u>1,368,765</u>	<u>195,451</u>
<b>Net Change in Fund Balance</b>	<u>(\$547,467)</u>	<u>(\$177,751)</u>	<u>\$1,184,725</u>	<u>\$1,694,151</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>				
	0.72%	0.85%	1.24%	1.16%

Source: City Finance Director's Office

*City of Xenia*

2002	2003	2004	2005	2006	2007
\$7,682,250	\$7,856,461	\$8,016,918	\$8,158,020	\$8,396,732	\$8,764,208
1,584,911	1,923,930	1,788,046	1,235,494	1,762,886	1,786,810
3,194,270	2,796,154	2,961,220	3,174,305	3,425,030	3,552,734
12,449	12,898	27,037	0	0	0
1,043,448	1,043,078	241,506	816,668	699,375	808,075
212,560	817,551	1,508,894	1,463,158	1,620,614	1,575,315
1,333,582	1,309,613	1,359,346	1,357,391	1,260,496	1,220,823
1,851,234	1,194,325	634,984	712,872	1,074,806	1,074,252
16,914,704	16,954,010	16,537,951	16,917,908	18,239,939	18,782,217
2,866,097	2,931,042	3,098,492	3,057,658	3,271,162	3,307,934
9,632,474	9,602,273	9,557,428	9,925,722	10,440,937	10,638,670
42,132	70,285	53,237	60,873	62,507	60,524
1,486,189	1,439,115	1,337,651	1,334,299	1,361,864	1,606,466
256,039	299,088	265,626	283,489	289,074	331,927
483,618	470,294	376,688	319,900	361,767	386,229
2,948,807	2,663,250	798,494	1,482,509	2,556,380	1,651,163
107,247	216,484	190,537	202,149	255,749	346,055
85,686	94,497	100,745	99,416	111,844	134,491
17,908,289	17,786,328	15,778,898	16,766,015	18,711,284	18,463,459
(993,585)	(832,318)	759,053	151,893	(471,345)	318,758
0	902,170	158,579	97,419	1,126,811	105,419
0	0	0	0	0	0
4,255,286	4,215,000	1,163,000	1,028,459	975,000	1,119,000
(4,280,286)	(4,240,000)	(1,163,000)	(1,103,459)	(1,025,000)	(1,200,121)
(25,000)	877,170	158,579	22,419	1,076,811	24,298
(\$1,018,585)	\$44,852	\$917,632	\$174,312	\$605,466	\$343,056
1.09%	1.55%	1.74%	1.62%	1.73%	2.56%

## *City of Xenia*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$6,739,677	\$7,181,043	\$7,226,714	\$9,616,613
Income Tax Receipts				
Withholding	5,005,833	5,272,496	5,500,486	7,716,965
Percentage	74.27%	73.42%	76.11%	80.25%
Direct (Individual & Business)	1,733,844	1,908,547	1,726,228	1,899,648
Percentage	25.73%	26.58%	23.89%	19.75%

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

Source: City Income Tax Department

*City of Xenia*

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2002	2003	2004	2005	2006	2007
1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
\$7,835,677	\$7,775,946	\$7,772,336	\$8,144,456	\$8,574,742	\$7,996,915
6,064,506	5,995,199	6,005,868	6,224,137	6,508,901	5,917,884
77.40%	77.10%	77.27%	76.42%	75.91%	74.00%
1,771,171	1,780,747	1,766,468	1,920,319	2,065,841	2,079,031
22.60%	22.90%	22.73%	23.58%	24.09%	26.00%



## *City of Xenia*

### *Income Tax Collections Current Year and One Year Ago*

Calendar Year 2007				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	6,249	51.02%	\$38,310,980	10.75%
20,000 - 49,999	3,483	28.43%	114,603,817	32.17%
50,000 - 74,999	1,408	11.49%	85,986,561	24.14%
75,000 - 99,999	656	5.36%	56,247,048	15.79%
Over 100,000	453	3.70%	61,119,399	17.15%
Total	12,249	100.00%	\$356,267,805	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to the City of Xenia			\$4,483,321	
Taxes Credited to Other Municipalities			1,751,366	
			\$6,234,687	
Calendar Year 2006				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	5,917	51.04%	\$35,455,795	10.67%
20,000 - 49,999	3,336	28.77%	110,233,208	33.17%
50,000 - 74,999	1,348	11.63%	82,289,203	24.76%
75,000 - 99,999	611	5.27%	52,181,447	15.70%
Over 100,000	382	3.29%	52,216,151	15.70%
Total	11,594	100.00%	\$332,375,804	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Paid to the City of Xenia			\$5,024,998	
Taxes Credited to Other Municipalities			1,622,518	
			\$6,647,516	

Source: City Finance Director's Office  
Historical data is not available.

## *City of Xenia*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	1998	1999	2000	2001
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$0	\$0	\$1,400,000	\$1,360,000
Capital Leases	172,737	267,313	142,289	279,090
<b>Business-type Activities</b> <sup>(1)</sup>				
Ohio Water Development Authority Loans Payable	\$1,945,653	\$7,635,418	\$8,972,890	\$8,780,308
Capital Leases	0	0	0	0
Total Primary Government	<u>\$2,118,390</u>	<u>\$7,902,731</u>	<u>\$10,515,179</u>	<u>\$10,419,398</u>
<b>Population</b> <sup>(2)</sup>				
City of Xenia	24,836	24,836	24,164	24,164
Outstanding Debt Per Capita	\$85	\$318	\$435	\$431
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	687,808	686,119	696,745	707,715
Percentage of Personal Income	0.31%	1.15%	1.51%	1.47%

**Sources:**

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2006 for the presentation of 2007 statistics, the City is using the latest information available.
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation



*City of Xenia*

2002	2003	2004	2005	2006	2007
\$1,315,000	\$1,270,000	\$1,220,000	\$1,170,000	\$1,120,000	\$1,065,000
216,843	947,529	965,571	910,841	1,831,903	1,646,267
\$8,341,594	\$7,890,210	\$7,425,789	\$6,947,955	\$6,456,316	\$5,950,478
0	0	0	0	0	1,782,755
<u>\$9,873,437</u>	<u>\$10,107,739</u>	<u>\$9,611,360</u>	<u>\$9,028,796</u>	<u>\$9,408,219</u>	<u>\$10,444,500</u>
24,164	24,164	24,164	24,164	24,164	24,164
\$409	\$418	\$398	\$374	\$389	\$432
729,318	757,590	785,258	792,096	815,366	815,366
1.35%	1.33%	1.22%	1.14%	1.15%	1.28%

## *City of Xenia*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	1998	1999	2000	2001
<b>Population</b> <sup>(1)</sup>	24,836	24,836	24,164	24,164
<b>Assessed Value</b> <sup>(2)</sup>	\$276,297,691	\$282,816,150	\$299,427,811	\$301,625,369
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$0	\$0	\$1,400,000	\$1,360,000
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$0	\$0	\$0	\$0
<b>Net General Bonded Debt</b>	\$0	\$0	\$1,400,000	\$1,360,000
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	0.00%	0.00%	0.47%	0.45%
<b>Net Bonded Debt per Capita</b>	\$0.00	\$0.00	\$57.94	\$56.28

**Source:**

- (1) U.S. Bureau of Census of Population
- (2) Greene County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.  
There were no General Obligation Bonds prior to 1999.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Xenia*

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2002	2003	2004	2005	2006	2007
24,164	24,164	24,164	24,164	24,164	24,164
\$296,650,260	\$343,118,119	\$349,957,342	\$348,140,994	\$373,253,479	\$374,629,702
\$1,315,000	\$1,270,000	\$1,220,000	\$1,170,000	\$1,120,000	\$1,065,000
\$0	\$0	\$0	\$0	\$0	\$0
\$1,315,000	\$1,270,000	\$1,220,000	\$1,170,000	\$1,120,000	\$1,065,000
0.44%	0.37%	0.35%	0.34%	0.30%	0.28%
\$54.42	\$52.56	\$50.49	\$48.42	\$46.35	\$44.07



**City of Xenia**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2007*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Xenia</u>	<u>Amount Applicable to the City of Xenia</u>
<b>Direct:</b>			
City of Xenia	\$1,065,000	100.00%	\$1,065,000
<b>Overlapping:</b>			
Greene County	43,150,000	10.83%	4,673,145
Xenia Community School District	1,070,000	64.84%	693,788
Greene County Career Center	283,333	14.29%	40,488
Greene County Health District	233,658	27.67%	64,653
		Subtotal	<u>5,472,074</u>
		Total	<u><u>\$6,537,074</u></u>

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

## *City of Xenia*

### *Debt Limitations Last Ten Years*

<b>Collection Year</b>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$276,297,691	\$282,816,150	\$299,427,811	\$301,625,369
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,011,258	29,695,696	31,439,920	31,670,664
City Debt Outstanding (2)	0	0	1,400,000	1,360,000
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>1,400,000</u>	<u>1,360,000</u>
Overall Legal Debt Margin	<u><u>\$29,011,258</u></u>	<u><u>\$29,695,696</u></u>	<u><u>\$30,039,920</u></u>	<u><u>\$30,310,664</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$276,297,691	\$282,816,150	\$299,427,811	\$301,625,369
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,196,373	15,554,888	16,468,530	16,589,395
City Debt Outstanding (2)	0	0	1,400,000	1,360,000
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>1,400,000</u>	<u>1,360,000</u>
Overall Legal Debt Margin	<u><u>\$15,196,373</u></u>	<u><u>\$15,554,888</u></u>	<u><u>\$15,068,530</u></u>	<u><u>\$15,229,395</u></u>

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

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

Source: City Finance Director's Office

*City of Xenia*

2002	2003	2004	2005	2006	2007
\$296,650,260	\$343,118,119	\$349,957,342	\$348,140,994	\$373,253,479	\$374,629,702
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
31,148,277	36,027,402	36,745,521	36,554,804	39,191,615	39,336,119
1,315,000	1,270,000	1,220,000	1,170,000	1,120,000	1,065,000
0	0	0	0	0	0
1,315,000	1,270,000	1,220,000	1,170,000	1,120,000	1,065,000
\$29,833,277	\$34,757,402	\$35,525,521	\$35,384,804	\$38,071,615	\$38,271,119

\$296,650,260	\$343,118,119	\$349,957,342	\$348,140,994	\$373,253,479	\$374,629,702
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
16,315,764	18,871,497	19,247,654	19,147,755	20,528,941	20,604,634
1,315,000	1,270,000	1,220,000	1,170,000	1,120,000	1,065,000
0	0	0	0	0	0
1,315,000	1,270,000	1,220,000	1,170,000	1,120,000	1,065,000
\$15,000,764	\$17,601,497	\$18,027,654	\$17,977,755	\$19,408,941	\$19,539,634

# City of Xenia

## Demographic and Economic Statistics Last Ten Years

Calendar Year	1998	1999	2000	2001
<b>Population</b> (1)				
City of Xenia	24,836	24,836	24,164	24,164
Greene County	144,580	144,580	144,580	148,607
<b>Income</b> (2) (a)				
Total Personal (in thousands)	687,808	686,119	696,745	707,715
Per Capita	27,694	27,626	28,834	29,288
<b>Unemployment Rate</b> (3)				
Federal	4.9%	4.5%	4.2%	3.8%
State	4.6%	4.3%	4.3%	3.7%
Greene County	3.4%	3.4%	3.4%	3.4%
<b>Civilian Work Force Estimates</b> (3)				
State	5,678,000	5,749,000	5,900,400	5,857,000
Greene County	68,800	72,100	72,600	73,800
<b>Employment Distribution by Occupation</b> (1)				
Agriculture, forestry, fishing, hunting, and mining	120	120	29	29
Construction	495	495	701	701
Manufacturing	2,359	2,359	1,952	1,952
Wholesale trade	319	319	240	240
Retail trade	2,067	2,067	1,511	1,511
Transportation, warehousing, and utilities info.	340	340	448	448
Information	176	176	190	190
Finance, insurance, real estate, rental and leasing	386	386	436	436
Professional, scientific, management, administrative, and waste management	676	676	713	713
Educational, health, and social services	1,916	1,916	2,389	2,389
Arts, Entertainment, recreation, accomodation and food services	53	53	828	828
Other Services	687	687	641	641
Public Administration	719	719	843	843
<b>Daytime Population</b> (1)	N/A	N/A	22,424	22,424

**Sources:**

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2006 for the presentation of 2007 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

N/A = not available



## *City of Xenia*

2002	2003	2004	2005	2006	2007
24,164	24,164	24,164	24,164	24,164	24,164
148,607	148,607	148,607	148,607	148,607	148,607
729,318	757,590	785,258	792,096	815,366	815,366
30,182	31,352	32,497	32,780	33,743	33,743
4.8%	5.8%	6.0%	5.5%	4.6%	4.6%
4.3%	5.7%	6.1%	6.0%	5.5%	5.6%
4.3%	4.4%	4.9%	5.5%	5.1%	5.3%
5,828,000	5,915,000	5,875,300	5,900,400	5,934,000	5,976,500
73,100	73,900	77,200	77,000	77,400	78,000
29	29	29	29	29	29
701	701	701	701	701	701
1,952	1,952	1,952	1,952	1,952	1,952
240	240	240	240	240	240
1,511	1,511	1,511	1,511	1,511	1,511
448	448	448	448	448	448
190	190	190	190	190	190
436	436	436	436	436	436
713	713	713	713	713	713
2,389	2,389	2,389	2,389	2,389	2,389
828	828	828	828	828	828
641	641	641	641	641	641
843	843	843	843	843	843
22,424	22,424	22,424	22,424	22,424	22,424



## *City of Xenia*

### *Principal Employers Current Year and One Year Ago*

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1,432	1	5.31%
Greene Memorial Hospital	Health Care	975	2	3.62%
Xenia Community Schools	Education	969	3	3.60%
Super Valu	Distribution	500	4	1.86%
Mcdonalds Restaurants	Food Services	395	5	1.47%
City of Xenia	Government	290	6	1.08%
Twist	Manufacturing	270	7	1.00%
Walmart	Retail	256	8	0.95%
Kroger	Grocery	250	9	0.93%
Bob Evans Farms	Food Services	248	10	0.92%
Total		<u>5,585</u>		
Total Employment within the City		<u><u>26,950</u></u>		

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

**Sources:**

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

Historical data is not available.

## *City of Xenia*

### *Full Time Equivalent Employees by Function Last Ten Years*

	1998	1999	2000	2001	2002	2003
<b>Governmental Activities</b>						
General Government						
Finance	16.00	17.00	17.00	17.00	17.00	17.00
Legal/Court	23.00	26.50	29.50	29.50	29.75	30.75
Administration	9.50	10.00	10.00	10.00	9.00	8.00
Maintenance						
Security of Persons and Property						
Police	73.00	74.00	74.00	74.00	74.00	74.00
Fire	45.00	45.00	45.00	45.00	45.00	45.00
Transportation						
Street	16.75	18.75	19.75	19.75	19.75	19.75
Leisure Time Activities						
Recreation/Seniors						5.00
Community Environment						
Service	16.00	16.00	11.00	11.00	12.00	11.25
<b>Business-Type Activities</b>						
Utilities						
Water	15.00	15.00	15.00	15.00	15.00	15.00
Sewer	5.00	7.00	6.00	6.00	6.00	6.00
Solid Waste	10.00	10.00	10.00	10.00	10.00	10.00
<i>Total Employees</i>	<u>229.25</u>	<u>239.25</u>	<u>237.25</u>	<u>237.25</u>	<u>237.50</u>	<u>241.75</u>

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

Source: City Finance Director's Office

*City of Xenia*

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<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
17.50	16.50	18.50	18.50
30.75	30.50	29.75	29.00
7.00	6.00	6.00	6.00
69.00	69.00	69.00	70.00
42.00	42.00	42.00	43.00
18.50	18.50	18.50	16.00
4.50	4.50	4.50	4.25
9.00	9.00	9.00	10.00
14.00	13.00	13.00	14.50
6.00	6.00	6.00	16.00
10.00	10.00	10.00	0.00
<u>228.25</u>	<u>225.00</u>	<u>226.25</u>	<u>227.25</u>

## *City of Xenia*

### *Operating Indicators by Function Last Ten Years*

	1998	1999	2000	2001
<b>Governmental Activities</b>				
General Government				
Court				
Number of Probation Cases	N/A	N/A	580	531
Number of Traffic Cases	13,178	13,838	13,767	12,317
Licenses and Permits				
Number of Residential Constructions	67	79	N/A	128
Number of Commercial Constructions	13	3	N/A	15
Security of Persons and Property				
Police				
Number of Citations Issued	3,328	2,820	2,824	2,357
Number of Arrests	2,021	2,180	2,175	2,018
Number of Accidents	724	698	659	649
Fire				
Number of Fire Calls	613	854	1,077	1,018
Number of EMS Runs	2,883	2,839	3,011	3,065
Number of Inspections	484	244	166	248
Transportation				
Street				
Number of Streets Resurfaced	N/A	13	13	10
Leisure Time Activities				
Recreation/Seniors				
Number of Programs Offered	N/A	N/A	N/A	N/A
Number of Shelter Rentals	N/A	N/A	N/A	N/A
<b>Business-Type Activities</b>				
Water				
Number of Service Connections	9,737	9,737	9,737	10,081
Daily Average Consumption (millions of gallons)	3.3	3.3	3.3	3.4
Peak Daily Consumption (millions of gallons)	8.0	8.0	8.0	8.0
Sewer				
Number of Service Connections	9,637	9,637	9,637	9,940
Daily Average Sewage Treatment (millions of gallons)	4.9	4.9	4.9	4.9
Solid Waste *				
Number of Customers Served	N/A	N/A	N/A	N/A
Stormwater **				
Number of Customers Served	N/A	N/A	N/A	N/A

Source: City Finance Director's Office

\* Billing for Solid Waste started in 2005

\*\* Billing for Stormwater started in 2007

*City of Xenia*

2002	2003	2004	2005	2006	2007
598	558	639	619	561	802
12,155	11,766	11,289	12,095	10,445	9,624
104	109	116	104	61	123
21	17	13	20	5	4
2,207	2,377	3,064	2,869	2,430	2,974
1,947	1,837	1,841	1,927	2,022	1,034
640	611	621	597	567	610
918	851	813	818	889	984
3,291	3,421	3,532	3,803	3,715	3,437
48	69	39	205	135	255
6	5	7	11	7	4
N/A	8	8	9	9	8
N/A	N/A	N/A	N/A	178	130
10,184	10,346	10,346	10,380	11,235	10,720
3.6	3.9	3.9	3.9	4.4	3.6
8.0	8.0	8.0	8.0	8.0	8.0
10,025	10,184	10,184	10,436	11,103	10,692
4.9	4.9	4.9	4.9	4.9	4.8
N/A	N/A	N/A	9,232	9,444	9,760
N/A	N/A	N/A	N/A	N/A	10,038

## *City of Xenia*

### *Capital Asset Statistics by Function Last Ten Years*

	1998	1999	2000	2001
<b>Governmental Activities</b>				
General Government				
Land (acres)	6,400	7,680	7,680	7,680
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	N/A	N/A	N/A	N/A
Fire				
Stations	2	2	2	2
Vehicles	N/A	N/A	N/A	N/A
Highways and Streets				
Streets (lane miles)	127	115	115	115
Street Lights	1,460	1,753	1,753	1,753
Traffic Signals	N/A	N/A	N/A	N/A
Recreation				
Land (acres)	122	122	122	122
Buildings/Shelters	16	16	16	16
Parks	11	11	11	11
Playgrounds	11	11	11	11
Tennis Courts	1	1	1	1
Baseball/Softball Diamonds	6	6	6	6
Soccer Fields	2	2	2	2
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	140	140	140	141
Pump Stations	1	1	1	1
Average Daily Consumption	3.3 (mgd)	3.3 (mgd)	3.3 (mgd)	3.4 (mgd)
Storage Capacity (thousands of gallons)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)
Sewer				
Sewerlines (Miles)	145	145	145	146

Source: City Finance Director's Office



*City of Xenia*

2002	2003	2004	2005	2006	2007
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
N/A	N/A	N/A	N/A	27	24
2	2	2	2	2	2
N/A	N/A	N/A	N/A	11	11
115	115	115	108	135	135
1,753	1,753	1,784	1,784	1,784	1,826
N/A	N/A	37	38	40	32
122	122	122	133	133	122
16	16	16	18	18	17
11	11	11	15	15	15
11	11	11	15	15	12
1	1	1	1	1	1
6	6	6	6	6	7
2	2	2	2	2	2
141	141	141	141	141	140
1	1	1	1	1	1
3.6 (mgd)	3.9 (mgd)	3.9 (mgd)	3.7 (mgd)	4.4 (mgd)	3.6 (mgd)
8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)
146	146	146	146	146	145

*City of Xenia*

*Capital Asset Value by Function  
Last Ten Years*

	1998	1999	2000	2001	2002
<b>Governmental Activities</b>					
General Government					
Land and Improvements	\$102,580	\$102,580	\$102,580	\$102,580	\$259,130
Buildings	2,303,143	2,303,143	2,534,606	2,534,605	2,534,605
Equipment	840,868	938,986	1,053,511	1,218,578	1,292,224
Public Safety					
Land and Improvements	78,238	78,238	78,238	78,238	78,238
Buildings	244,004	247,983	247,983	247,983	247,893
Equipment	3,314,705	3,267,053	3,259,290	3,744,501	3,911,367
City Wide					
Land and Improvements	4,247,250	4,254,164	4,230,979	4,241,499	4,775,944
Buildings	2,164,635	2,166,110	1,725,105	1,757,573	2,734,465
Equipment	1,182,793	1,174,355	1,106,544	1,059,308	1,921,732
Infrastructure	N/A	N/A	N/A	N/A	408,007
Construction in Progress	92,210	339,673	11,448	232,140	1,029,296
<b>Business-Type Activities</b>					
Utilities					
Water					
Land and Improvements	N/A	N/A	N/A	125,712	125,712
Buildings and Improvements	N/A	N/A	N/A	2,865,365	2,865,365
Equipment	N/A	N/A	N/A	10,952,272	12,342,236
Construction in Progress	N/A	N/A	N/A	544,453	0
Sewer					
Land and Improvements	N/A	N/A	N/A	482,817	482,817
Buildings and Improvements	N/A	N/A	N/A	5,226,336	5,226,336
Equipment	N/A	N/A	N/A	21,667,146	22,029,873
Construction in Progress	N/A	N/A	N/A	0	15,112
Sanitation					
Land and Improvements	N/A	N/A	N/A	5,680	4,741
Buildings and Improvements	N/A	N/A	N/A	40,108	40,108
Equipment	N/A	N/A	N/A	679,254	679,254
Construction in Progress	N/A	N/A	N/A	0	
Stormwater					
Land and Improvements	N/A	N/A	N/A	N/A	N/A
Buildings and Improvements	N/A	N/A	N/A	N/A	N/A
Equipment	N/A	N/A	N/A	N/A	N/A
Construction in Progress	N/A	N/A	N/A	N/A	N/A

*City of Xenia*

2003	2004	2005	2006	2007
\$259,130	\$259,130	\$259,130	\$259,130	\$259,130
2,534,605	2,534,605	2,534,605	2,536,475	2,512,829
1,348,790	1,376,298	1,391,039	1,596,606	1,111,705
78,238	78,238	76,022	90,537	77,019
247,983	273,206	273,206	722,216	701,839
4,707,058	4,901,393	4,868,979	5,705,316	4,054,259
15,574,694	15,810,220	16,092,702	16,302,572	16,524,117
2,748,335	2,748,335	2,748,335	2,751,955	2,733,586
8,693,004	8,932,617	9,206,205	9,699,307	2,103,334
11,022,587	11,411,839	11,811,580	12,831,760	13,256,761
28,500	28,500	854,397	385,027	120,618
133,036	133,036	134,606	134,606	177,094
2,865,365	2,870,415	2,870,415	2,870,415	2,870,415
12,477,225	12,655,820	13,016,872	13,687,880	13,677,245
0	0	112,538	71,499	1,185,632
482,817	483,946	483,946	483,946	511,522
5,276,700	5,276,700	5,282,350	5,282,350	5,265,451
21,998,953	22,762,638	23,228,559	23,685,875	23,764,397
52,291	226,155	0	28,364	805,505
4,741	4,741	2,691	2,691	0
40,108	40,108	40,108	40,108	40,108
741,757	741,757	741,757	744,443	761,167
0	0	0	14,182	6,560
N/A	N/A	N/A	N/A	0
N/A	N/A	N/A	N/A	0
N/A	N/A	N/A	N/A	7,767,217
N/A	N/A	N/A	N/A	0

(Continued)

*City of Xenia*

*Capital Asset Value by Function  
Last Ten Years*

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Other Enterprise					
Land and Improvements	N/A	N/A	N/A	185,521	185,521
Buildings and Improvements	N/A	N/A	N/A	101,837	101,837
Equipment	N/A	N/A	N/A	19,744	50,306
Construction in Progress	N/A	N/A	N/A	0	0

Source: City Finance Director's Office

*City of Xenia*

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<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
181,352	181,352	181,352	181,352	154,681
101,837	101,837	101,837	101,837	101,837
45,054	46,784	49,052	74,052	54,430
0	0	0	348,457	89,285



**CITY OF XENIA, OHIO**

Report Issued Pursuant to  
*Government Auditing Standards*

For the year ended December 31, 2007

**CITY OF XENIA, OHIO  
GREENE COUNTY**

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**DECEMBER 31, 2007**

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

To the City Council  
City of Xenia, Ohio

We have audited the 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, 2007, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings as item 2007-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe the significant deficiency described above is a material weakness.

### **Compliance and Other Matters**

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

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management and City Council and is not intended to be and should not be used by anyone other than these specified parties.



Kennedy Cottrell Richards LLC  
June 30, 2008

CITY OF XENIA, OHIO  
GREENE COUNTY

SCHEDULE OF FINDINGS

DECEMBER 31, 2007

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

**2007-1 Material Weakness – Financial Reporting**

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management of the City. This responsibility remains intact, even if management decides to outsource this function for efficiency purposes, or any other reason, to another accountant or consultant. It is also important to note that independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

Thus, it is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit.

As a result of our audit, we identified material misstatements in the City's financial statements, as well as other misstatements that were not necessarily material, but were more than inconsequential. We provided adjusting entries to the City and the misstatements were subsequently corrected.

We recommend the City implement sufficient control procedures over the financial reporting process in order to enable management to prevent and detect potential misstatements in the financial statements and footnotes.

Official's Response

We are developing a more in-depth internal control procedure as it relates to the review of our financial statements.

CITY OF XENIA, OHIO  
GREENE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2007

<u>Fiscal Year</u>	<u>Finding Number</u>	<u>Status</u>
2006	2006-1 Material Weakness - Financial Reporting	Not Corrected



**Mary Taylor, CPA**  
Auditor of State

**CITY OF XENIA**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 26, 2008**