

Mary Taylor, CPA
Auditor of State

**CITY OF CHILLICOTHE
ROSS COUNTY**

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**CITY OF CHILLICOTHE
ROSS COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant State's Program	A-F-07-104-1	14.228	\$ 693
Community Development Block Grant State's Program	A-F-08-104-1	14.228	553,863
Community Development Block Grant State's Program	A-F-09-104-1	14.228	44,000
Total Community Development Block Grant State's Program			<u>598,556</u>
Comprehensive Downtown Revitalization Program	A-T-08-104-1	14.228	266,289
Total Downtown Revitalization Program			<u>266,289</u>
HOME Investment Partnership Program	A-C-08-104-1	14.239	171,591
Total HOME Investment Partnership Program			<u>171,591</u>
<i>Passed through Ross County, Ohio</i>			
Neighborhood Stabilization Program	B-Z-08-066-1	14.228	46,637
Total Neighborhood Stabilization Program			<u>46,637</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>1,083,073</u>
U.S. ENVIROMENTAL PROTECTION AGENCY			
<i>Direct:</i>			
Brownfields Assessment and Cleanup Cooperative Agreement	N/A	66.818	146,631
TOTAL U.S. ENVIROMENTAL PROTECTION AGENCY			<u>146,631</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct:</i>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	N/A	16.590	193,710
<i>Passed Through Ohio Office of the Attorney General</i>			
Crime Victim's Assistance	VAGENE539	16.575	33,851
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government	2009-SB-B9-0572	16.804	33,335
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	2008-DD-BX-0666	16.580	27,527
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>288,423</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	RPT-4071-029-091	20.509	739,997
Rural Transit Grant Program Capital Project	RPT-0071-029-092	20.509	120,809
Rural Transit Grant Program Capital Project	RPT-0071-026-073	20.509	1,319,170
ARRA - Rural Transit Grant Program Capital Project	RPT-0071-001-093	20.509	170,383
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>2,350,359</u>
Total Federal Awards Expenditures			<u>\$ 3,868,486</u>

The accompanying notes are an integral part of this schedule.

**CITY OF CHILLICOTHE
ROSS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Chillicothe's (the City's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B – FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS

Cash receipts from the Ohio Department of Transportation are commingled with State grants and other local monies. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Mary Taylor, CPA

Auditor of State

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

City of Chillicothe
Ross County
35 South Paint Street
P.O. Box 457
Chillicothe, Ohio 45601

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 18, 2010.

We intend this report solely for the information and use of management, the finance committee, City Council, and federal awarding agencies and pass-through entities, and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 18, 2010



Mary Taylor, CPA

Auditor of State

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

City of Chillicothe
Ross County
35 South Paint Street
P.O. Box 457
Chillicothe, Ohio 45601

To the City Council:

Compliance

We have audited the compliance of the City of Chillicothe, Ross County, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2009-001.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance.

Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying schedule of findings as item 2009-001. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio (the City) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 18, 2010. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

June 18, 2010

**CITY OF CHILLICOTHE
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 20.509 Formula Grants for Other than Urbanized Areas
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

**CITY OF CHILLICOTHE
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2009-001
CFDA Title and Number	14.228 – Community Development Block Grant/States Program
Federal Award Number / Year	2008 CDBG Formula Grant A-F-08-1-4-1 2008 Downtown Revitalization A-T-08-104-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

**Cash Management – 15 Day Rule –
Material Non-Compliance/Significant Deficiency**

24 C.F.R. Section 85.21(c) and Section (A)(3)(f) of the Ohio Department of Development, Office of Housing and Community Partnership's *Financial Management Rules and Regulations Handbook*, require grantees to develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that draw downs should be limited to amounts that will enable the grantee to disburse funds on hand to a balance of less than \$5,000 within fifteen days of receipt.

In 2009 the City did not disburse federal cash received from draw down requests within the 15 day requirement for the following Community Development Block Grant receipts.

Grant Project	Date of Receipt	Draw Amount	Amount Expended Within 15 Days of Receipt	Unexpended Amount After 15 Days
Downtown Revitalization	4/8/2009	\$ 35,000	\$ 21,230	\$ 13,770
Downtown Revitalization	6/29/2009	35,000	13,210	21,790
Downtown Revitalization	8/17/2009	50,000	23,510	26,490
Downtown Revitalization	9/17/2009	60,000	5,645	54,355
CDBG Formula Grant	9/29/2009	165,000	39	164,961
Downtown Revitalization	11/6/2009	100,000	15,420	84,580
CDBG Formula Grant	11/23/2009	162,000	2,320	159,680

**CITY OF CHILLICOTHE
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number	2009-001 (Continued)
CFDA Title and Number	14.228 – Community Development Block Grant/States Program
Federal Award Number / Year	2008 CDBG Formula Grant A-F-08-1-4-1 2008 Downtown Revitalization A-T-08-104-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

**Cash Management – 15 Day Rule –
Material Non-Compliance/Significant Deficiency (Continued)**

Although the City held the monies for more than the allowable 15 day period, funds were deposited in a non-interest bearing account.

Inherently, timely expenditure of these grants is difficult given that the City must coordinate inspections of work performed, receipt of contractor invoices, and payment to contractors. However, we recommend the City implement a cash management program to facilitate monitoring of these cash draw downs to ensure funds are expended within fifteen days of receipt. However, to alleviate the difficulty of complying with these cash management requirements the City may consider the use of interfund advances from the general fund to the HUD grant fund, where these receipts are disbursed; once grant funding is subsequently received from the grantor agency, advances could be repaid to the general fund.

Officials' Response and Corrective Action Plan:

For a City the size of Chillicothe, it is extremely difficult to ensure that every disbursement of CDBG funds occurs within fifteen days of receipt. This is due to the fact that we deal almost exclusively with local vendors who expect prompt payment and cannot afford any delay.

Nevertheless, the City's new Auditor is aware of the problem and is working with Julie Clifton to improve compliance. In the future, advances will be made from the general fund to the HUD fund, and the general fund will then be reimbursed once the CDBG funds are received.

Despite its past problems with compliance, the City has always deposited CDBG funds in a non-interest bearing account and will continue to do so.

Anticipated Completion Date: July 2010
Responsible Contact: Julie Clifton/ Tom Spetnagel Jr.

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City of Chillicothe, Ohio Comprehensive Annual Financial Report

Thomas M. Spetnagel Jr.

Chillicothe City Auditor



For the Year Ended December 31, 2009

Prepared by the Office of the City of Chillicothe Auditor

CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
For the Year Ended December 31, 2009

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CITY OF CHILLICOTHE, OHIO

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CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
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CITY OF CHILLICOTHE - Ohio's First Capital
THOMAS M. SPETNAGEL, JR., City Auditor



35 SOUTH PAINT STREET • P.O. BOX 457
CHILLICOTHE, OHIO 45601-0457

TELEPHONE (740) 775-3955
FAX (740) 773-4535
EMAIL: chilliaud@bright.net

June 18, 2010

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

FROM: City Auditor Tom Spetnagel Jr. and Staff

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Chillicothe for the year ended December 31, 2009. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2009. It is intended to provide all pertinent and necessary financial information to the Citizens of Chillicothe.

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

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

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Chillicothe's MD&A can be found immediately following the State Auditor's opinion letter.

State Audit

The 2009 basic financial statements were audited by the State of Ohio Auditor's Office. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls, and tests of transactions. The State Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35, and 50 approximately 45 miles south of Columbus, Ohio, Chillicothe covers 9.7 square miles and has approximately 22,296 citizens according to the latest census estimate. The City has 12 public parks consisting of 225 acres, six public schools, one parochial school, one charter school, a branch of Ohio University, and two public libraries (one of which is currently closed due to budget constraints).

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

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

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

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

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

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

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

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

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

The City employs 277 people, both full-time and permanent part-time, to serve the citizens of Chillicothe in the various departments described as follows: Public Safety (Police, Fire, and School Patrol), Recreation (Parks and Recreation), Utilities (Water, Sewer, and Sanitation), Transportation (Bus System), Community Environment (Planning, Zoning, and Economic Development), Streets (Engineering and Service Departments), General Government (Administrative services, including Municipal Court), and Finance (Auditor, Tax Auditor, and Treasurer).

Economic Outlook

After a sharp downturn in 2008 that followed the national economic trend, there were no signs of an immediate recovery in Chillicothe and Ross County in 2009.

Chillicothe's unemployment rate was 12.5% and Ross County's was 13.0% in December 2009, both of which were well above the national unemployment rate of 10.0% and the state unemployment rate of 10.9%. These figures reflect a 50% increase in local unemployment from December 2008, when the rate was 8.0%.

In addition, foreclosures reached an all-time high in 2009. Ross County recorded almost 500 foreclosures, which is about 60 – 70 more than in 2008.

The recession affected all three of Chillicothe's major employers. The Adena Regional Medical Center, which is the area's single largest employer with 2,200 workers, saw its growth slow considerably in 2009. Adena's CEO, Mark Shuter, explained that the Medical Center went from consistently adding 200 new positions a year to adding only 130 in 2009. This reduction was seen despite ongoing construction work for the \$45.5 million Northeast Expansion project which will result in the opening of the Adena Women's and Children's Center next spring and two new nursing units designed for a variety of acuity levels. Such setbacks are particularly troubling because health care is the area's primary growth sector, with Adena and the nearby VA hospital being at the forefront.

In 2009 the Kenworth Truck Company's state-of-the-art assembly plant celebrated its 35th anniversary since opening in 1974, but there was very little cause for celebration. The year saw layoffs, as well as a temporary reduction in the company's 401(k) match for its employees. Plant Manager, Scott Blue, described production as being around 60% of 2006, the company's peak year, and he projects between 110,000 and 140,000 truck orders in 2010, which is far less than the average demand for trucks throughout the country (200,000 to 225,000 per year). In spite of a rocky and difficult two years, Kenworth and its parent company PACCAR remain well-positioned to take advantage of any sudden improvement in the economy because they continue to produce some of the highest-value trucks on the road.

Chillicothe's other big manufacturer, the Glatfelter Paper Company, had a better year than expected in 2009. Although its workforce is still down 50 people out of 1,450, the company has seen an increased demand for its products. The CEO, John Blind, attributes the company's success to the fact that it cut back production early in 2008 before the recession took a strong hold and was able to temporarily lay off workers during the worst period. As demand began to increase in the latter half of 2009, particularly in the 4th quarter, the company has been able to call most of its workers back. As a result, there is cautious optimism about 2010.

Glatfelter's biggest concerns have to do with the future viability of its chief product: carbonless copy paper. This product has been the focus of a trade dispute with Mexico and has long been a favorite of hospitals, which means that it may be in jeopardy if medical records ever go electronic.

Chillicothe did receive money from the federal stimulus package in 2009 for the construction of a new Transit Facility, as did Ross County for the widening of State Route 104. However, there is little evidence that these projects resulted in the creation of new jobs.

Overall, Chillicothe's economic future is tied to the state and national economies. Barring any major disasters, the upcoming year should be a year of recovery in the manufacturing sector and slow growth in the health care sector.

Major Initiatives

The year 2009 saw many enhancements to the City and County's infrastructure and business community. Some of the most significant accomplishments included the following:

- ▶ In the County, significant work was performed to widen State Route 104 to four lanes from Route 35 north to the Route 207 connector highway at a cost of \$12 to \$13 million. This project was funded entirely by money received from the American Recovery and Reinvestment Act (federal stimulus package).
- ▶ As of December 2009, construction on the new \$4,500,000 Chillicothe Transit Facility at Seventh and Watt Streets was 80 percent complete. This was a landmark year for Chillicothe Transit, which applied for and was awarded the following federal stimulus monies: \$950,000 for the purchase of eight new buses; \$260,000 for the installation of a Bio-Diesel E85 fueling station; \$226,291 for its Fleet Maintenance Program; and \$73,660 for dispatch software.
- ▶ In December 2009 the former AEP building was purchased by the City for \$2,200,000 to relocate the Chillicothe Municipal Court. The building will be paid for with money from a fund set aside by the Court specifically for the purchase.
- ▶ The construction of a bicycle/pedestrian bridge over High Street costing \$1,311,000 was completed in the fall of 2009. Although the City contributed \$441,000 as its share of the total project cost in 2008, a large percentage of that initial investment was able to be reclaimed through grant money.
- ▶ Following the promotion of Captain Roger Moore to Chief of Police, the Police Department purchased six new vehicles for \$151,023, 14 laptop computers which were installed in the police cruisers for \$90,834, and a radio dispatch console which was purchased with a JAG grant for \$33,335. Chief Moore also hired four volunteer Auxiliary Police Officers to assist with backup. All major crimes within the City saw a decline in 2009, with the exception of robbery and forcible rape.
- ▶ Although there was one major house fire in November 2009 which tragically claimed the lives of a child and an adult, there was a decrease for the first time in many years in the total number of requests for emergency assistance from the Fire Department and in the total amount of fire loss within the City.
- ▶ Traffic at the major problem areas (Western Ave./Bridge St./Main St.) was patrolled mostly by photo enforcement in accordance with the contract entered into in 2008 between the City and Redflex. In November 2009 a citizens' group ballot initiative banning photo enforcement within the City passed by an overwhelming margin at the polls and effectively ended the program.
- ▶ The City completed over \$350,000 worth of improvements under the Street and Alley Program, including major portions of Brewer Heights and East Water Street.
- ▶ Final plans and specifications were completed for installation of a new water line on Western Avenue between Pyleys Lane and Brewer Heights.
- ▶ The City continued to work with Ross County Jobs and Family Services to utilize their personnel in various areas, including the RossGo Program. This program is a coordinated effort between Ross County Jobs and Family Services, Chillicothe Transit, MRDD, and other public and private transporters to provide transportation throughout Ross County.
- ▶ Also in 2009, the City received a one-time sum in excess of \$1,000,000 for its portion of estate taxes due to the death of a city resident.

Future Initiatives

Many new initiatives are expected in 2010 which will enhance the City. These include all of the following:

- ▶ Chillicothe Transit will relocate its entire fleet of buses to the new Facility.
- ▶ Council will vote on a feasibility study for the widening of Western Avenue between Brewer Heights and Veterans Parkway. If the project goes forward, it will be a joint effort between the City and the County, and the cost will be shared with the Ohio Department of Transportation.
- ▶ Western Avenue will be repaved as part of the Street and Alley Program.
- ▶ There are plans to relocate the Bridge Street/North Plaza Boulevard intersection.
- ▶ Expansion of Chillicothe's park facilities will continue with the addition of a 40-acre soccer complex west of the City on land donated by Sunrush Enterprises.

Budgetary Controls

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

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

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

Internal Controls

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

Cash Management

The City Auditor is responsible for investing all the City's funds and accomplishes this by investing in certificates of deposit, money markets, and Treasury Notes with our local banks. These certificates of deposit range in length from 30 days to one year and are awarded on a bid basis to the institution having the best bid whenever an investment is to be made. In addition, our City takes advantage of every opportunity to earn interest on all other funds including the float on outstanding checks and funds being held by bond trustees. Interest earned on all

investments is designated to the General Fund by law. The only exception is for specifically designated trustee funds and borrowed funds for major projects such as those within the Water and Sewer Funds.

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

Risk Management

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

The City manages health and dental benefits for its employees through a fully funded plan. The City also participates in the Workers' Compensation Program offered by the State of Ohio. More detailed information about the insurance programs in force at December 31, 2009 is included in Note 18 of the Notes to the Financial Statements.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chillicothe for its **Comprehensive Annual Financial Report (CAFR)** for the year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Chillicothe has now received a Certificate of Achievement for each of the years ended December 31, 1991 through December 31, 2008. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.


Acknowledgment

This Comprehensive Annual Financial Report for the City of Chillicothe is the 19th for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand the operation of our City and its basic financial structure.

I would first like to thank all members of my staff who are listed on page 11 who spent many hours compiling and entering the data for this report.

I would also like to thank J.L. Uhrig & Associates, C.P.A. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein. I send my thanks also to the State of Ohio Auditor, Mary Taylor, and her staff for their assistance and helpful service.

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

Respectfully yours,

Tom Spethnagel Jr.
Chillicothe City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to
City of Chillicothe
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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




President

Executive Director

CITY OF CHILLICOTHE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

Prepared by Office of City Auditor

CITY OFFICIALS

MAYOR

Joseph P. Sulzer
Term Expires 12-31-11

CITY COUNCIL

Robert L. Shoultz
President
Term Expires 12-31-09

Thomas Trutschel
1st Ward Council
Term Expires 12-31-09

Queen Lester
3rd Ward Council
Term Expires 12-31-09

William Bonner
5th Ward Council
Term Expires 12-31-09

Dustin Proehl
Council At Large
Term Expires 12-31-09

Cynthia Henderson
Council At Large
Term Expires 12-31-09

Nancy Ames
2nd Ward Council
Term Expires 12-31-09

Jean Malone
4th Ward Council
Term Expires 12-31-09

Patricia Patrick
6th Ward Council
Term Expires 12-31-09

Napoleon Cross
Council At Large
Term Expires 12-31-09

CITY AUDITOR

William D. Morrissey (term ended 12-31-09)/
Tom Spetnagel Jr. (term commenced 01-01-10)
Term Expires 12-31-13

CITY TREASURER

David A. Neal
Term Expires 12-31-09

DIRECTOR OF LAW

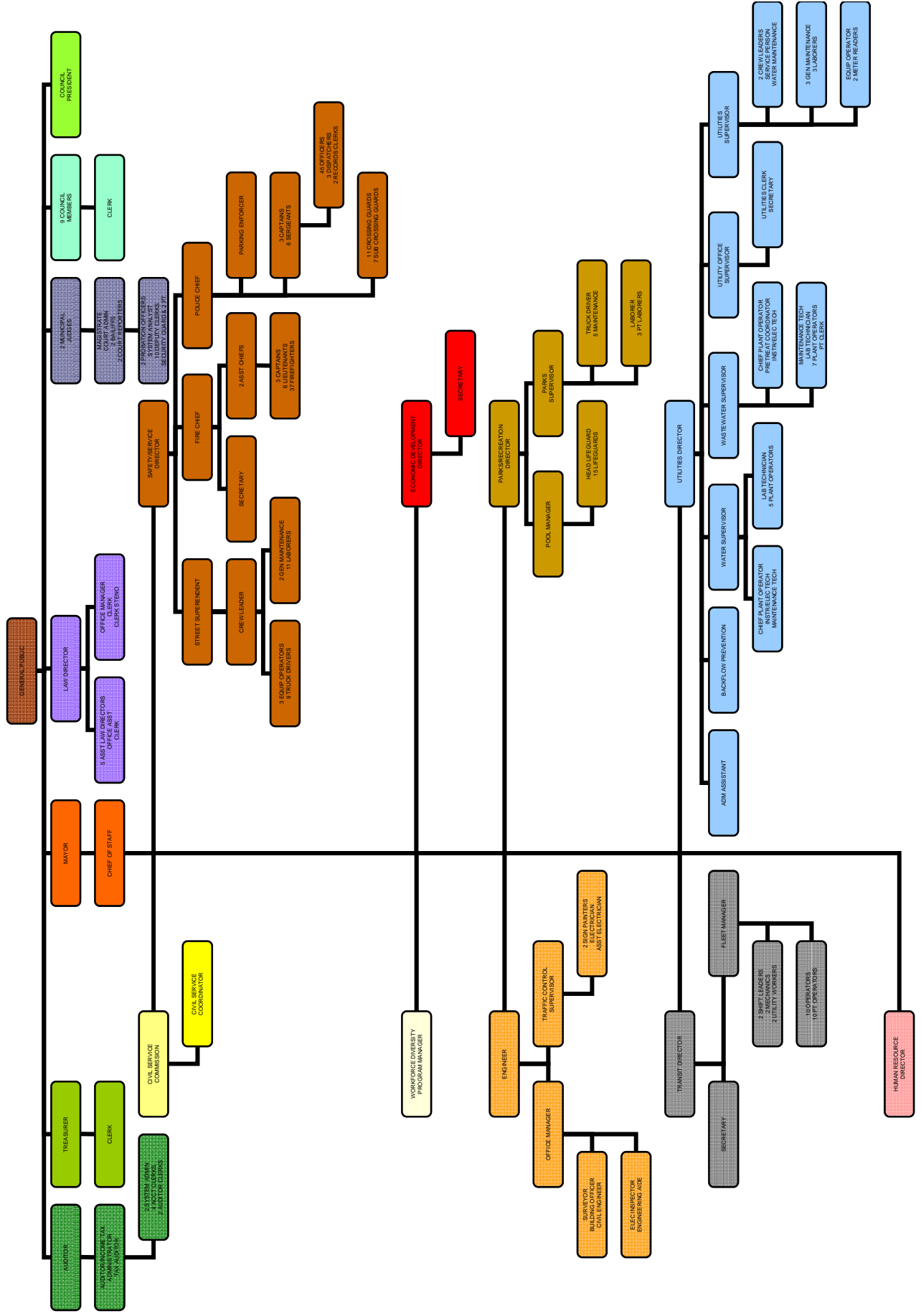
Toni Eddy
Term Expires 12-31-11

CITY OF CHILLICOTHE, OHIO
LISTING OF APPOINTED OFFICIALS

ENGINEER	Thomas Day
CHIEF OF STAFF	Matthew Allen
UTILITIES DIRECTOR	Richard Johnson
SAFETY/SERVICE DIRECTOR	Michael Pfeiffer
HUMAN RESOURCES DIRECTOR	Nancy McNeeley/ Tammy Bochard
PARKS/RECREATION DIRECTOR	Cathy Primer
TRANSIT DIRECTOR	Michael Scholl
CLERK OF COUNCIL	John Fosson
ASSISTANT LAW DIRECTOR	Lindsey Janey
ASSISTANT LAW DIRECTOR	Mark Preston
ASSISTANT LAW DIRECTOR	Michelle Rout
ASSISTANT LAW DIRECTOR	Carrie Rowland
ASSISTANT LAW DIRECTOR	Sherri Rutherford

CITY OF CHILLICOTHE

ORGANIZATIONAL CHART



CITY OF CHILLICOTHE, OHIO
2009 CITY AUDITOR'S STAFF

CITY AUDITOR	William D. Morrissey/ Tom Spetnagel Jr.
AUDITOR/INCOME TAX ADMINISTRATOR DEPUTY AUDITOR	Donna J. Taylor
TAX AUDITOR	Julie A. Parker
SYSTEM ADMINISTRATOR	Linda J. Tackett
SYSTEM ADMINISTRATOR	Kathy L. Knece
ACCOUNTING CLERK	Holly Cousins
ACCOUNTING CLERK	Mary Schmidt
ACCOUNTING CLERK	Heidi Leasure
AUDITOR'S CLERK	Hudson Ward
AUDITOR'S CLERK	Katherine Flechtner

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Chillicothe
Ross County
35 South Paint Street
P.O. Box 457
Chillicothe, Ohio 45601

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Ross County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Ross County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Bus Transit and Street Construction Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section or the statistical tables 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 18, 2010

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of its financial activities for the year ended December 31, 2009. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

Financial Highlights

1. The City of Chillicothe's total net assets increased \$997,568; net assets of the governmental activities increased \$948,752; and net assets of the business-type activities increased \$48,816.
2. The General Fund balance of \$2,374,618 decreased \$2,200,492, or 48.10%, from the previous year's balance of \$4,575,110. This was a result of decreased revenues and increased expenditures in General Government, Police and Fire.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found starting on page 21 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and by bond covenants.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

However, the Auditor establishes many other funds to help control and manage money for particular purposes or to show that the City of Chillicothe is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the City of Chillicothe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The City of Chillicothe maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund, Bus Transit Fund, and Street Construction Maintenance & Repair Fund, which are considered to be major funds. Data from the other 22 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Government-Wide Financial Analysis

While this document contains information about the funds used by the City of Chillicothe to provide services to our citizens, the view as a whole looks at all financial transactions. The *statement of net assets* and the *statement of activities* include all assets and liabilities using the full accrual basis of accounting similar to the accounting used by the private sector.

The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The City of Chillicothe as a Whole

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

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

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$13,634,836	\$14,780,199	\$9,873,300	\$10,097,630	\$23,508,136	\$24,877,829
Capital Assets, Net	43,495,605	40,046,887	39,323,207	39,993,564	82,818,812	80,040,451
<i>Total Assets</i>	<u>57,130,441</u>	<u>54,827,086</u>	<u>49,196,507</u>	<u>50,091,194</u>	<u>106,326,948</u>	<u>104,918,280</u>
Liabilities						
Current and Other Liabilities	6,863,491	5,857,891	434,365	291,601	7,297,856	6,149,492
Long-Term Liabilities:						
Due within One Year	2,131,060	1,555,935	1,524,425	1,384,680	3,655,485	2,940,615
Due in More Than One Year	<u>2,762,726</u>	<u>2,988,848</u>	<u>6,608,020</u>	<u>7,834,032</u>	<u>9,370,746</u>	<u>10,822,880</u>
<i>Total Liabilities</i>	<u>11,757,277</u>	<u>10,402,674</u>	<u>8,566,810</u>	<u>9,510,313</u>	<u>20,324,087</u>	<u>19,912,987</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	39,109,104	39,182,366	32,021,986	31,628,281	71,131,090	70,810,647
Restricted for:						
Debt Service	13,507	0	1,694,714	1,652,563	1,708,221	1,652,563
Capital Projects	321,193	1,007,274	1,818,467	1,818,467	2,139,660	2,825,741
Permanent Fund Purpose:						
Expendable	2,187	2,147	0	0	2,187	2,147
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Other Purposes	5,239,587	3,125,905	0	0	5,239,587	3,125,905
Unrestricted (Deficit)	<u>686,586</u>	<u>1,105,720</u>	<u>5,094,530</u>	<u>5,481,570</u>	<u>5,781,116</u>	<u>6,587,290</u>
Total Net Assets	<u><u>\$45,373,164</u></u>	<u><u>\$44,424,412</u></u>	<u><u>\$40,629,697</u></u>	<u><u>\$40,580,881</u></u>	<u><u>\$86,002,861</u></u>	<u><u>\$85,005,293</u></u>

Current and other assets of governmental activities decreased by \$1,145,363 or 7.75% due to a decrease in equity in pooled cash & cash equivalents. Capital assets of the governmental activities increased due to current capital asset additions exceeding depreciation expenses. Total liabilities of the governmental activities increased by \$1,354,603 or 13.02% due to an increase in notes payable.

Current and other assets of business-type activities decreased by \$224,330 or 2.22% due to a decrease in equity in pooled cash & cash equivalents. Capital assets decreased by \$670,357 or 1.68% due to depreciation expense exceeding current capital asset additions.

City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2009

Unaudited

Total liabilities of business-type activities decreased by \$943,503 or 9.92% due to principal retirement of debt. Investment in capital assets, net of related debt increased by \$393,705 or 1.24% due to principal retirement of debt.

The City of Chillicothe's total net assets increased from \$85,005,293 at the beginning of 2009 to \$86,002,861 at the end of the year, a change of \$997,568 or 1.17%.

This increase in the City of Chillicothe's total net assets is the result of an increase in the net assets of the governmental activities of \$948,752 or 2.14% and an increase in the net assets of the business-type activities of \$48,816 or 0.12%.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for years 2009 and 2008.

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services	\$4,665,122	\$4,249,683	\$7,557,636	\$7,594,154	\$12,222,758	\$11,843,837
Operating Grants and Contributions	5,389,193	3,005,587	0	0	5,389,193	3,005,587
General Revenues:						
Property Taxes	1,157,487	1,222,516	0	0	1,157,487	1,222,516
Income and Other Taxes	10,824,780	10,909,051	0	0	10,824,780	10,909,051
Grants and Entitlements	2,098,454	3,738,582	0	0	2,098,454	3,738,582
Other	475,530	980,583	99,717	142,634	575,247	1,123,217
<i>Total Revenues</i>	<u>28,389,271</u>	<u>24,217,046</u>	<u>7,657,353</u>	<u>7,736,788</u>	<u>36,046,624</u>	<u>31,953,834</u>
Program Expenses						
General Government	5,856,422	5,269,764	0	0	5,856,422	5,269,764
Security of Persons and Property:						
Police	5,616,398	5,406,935	0	0	5,616,398	5,406,935
Fire	5,370,049	5,206,800	0	0	5,370,049	5,206,800
Transportation	7,341,642	6,191,675	0	0	7,341,642	6,191,675
Leisure Time Activities	520,058	927,550	0	0	520,058	927,550
Community Environment	1,685,430	677,158	0	0	1,685,430	677,158
Basic Utility Services	874,302	934,806	0	0	874,302	934,806
Interest and Fiscal Charges	136,428	124,333	0	0	136,428	124,333
Water and Sewer	0	0	7,648,327	7,318,099	7,648,327	7,318,099
<i>Total Expenses</i>	<u>27,400,729</u>	<u>24,739,021</u>	<u>7,648,327</u>	<u>7,318,099</u>	<u>35,049,056</u>	<u>32,057,120</u>
Increase (Decrease) in Net Assets Before Transfers	988,542	(521,975)	9,026	418,689	997,568	(103,286)
Net Transfers In (Out)	<u>(39,790)</u>	<u>(19,571)</u>	<u>39,790</u>	<u>19,571</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	948,752	(541,546)	48,816	438,260	997,568	(103,286)
Net Assets at Beginning of Year	<u>44,424,412</u>	<u>44,965,958</u>	<u>40,580,881</u>	<u>40,142,621</u>	<u>85,005,293</u>	<u>85,108,579</u>
Net Assets at End of Year	<u>\$45,373,164</u>	<u>\$44,424,412</u>	<u>\$40,629,697</u>	<u>\$40,580,881</u>	<u>\$86,002,861</u>	<u>\$85,005,293</u>

City of Chillicothe, Ohio

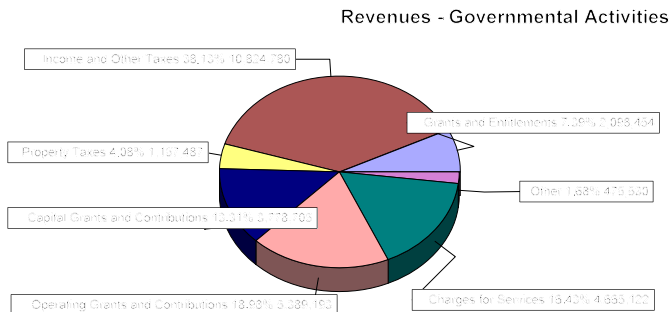
Management's Discussion and Analysis

For the Year Ended December 31, 2009

Unaudited

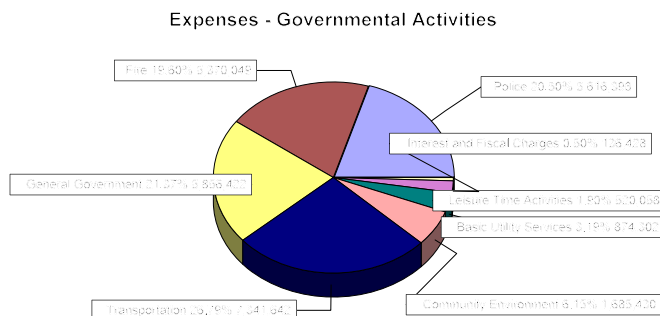
Governmental Activities

Governmental activities increased the City of Chillicothe's net assets by \$948,752. The primary reason for the increase in net assets relates to an increase in revenue from capital grants and contributions of \$3,667,661 and an increase in revenue from operating grants and contributions of \$2,383,606. The majority of this was federal stimulus money received for the construction of the new Chillicothe Transit Facility.



Of the \$28,389,271 in total revenues, income and other taxes account for 38.13%; charges for services of \$4,665,122 account for 16.43%; operating grants and contributions account for 18.98%; capital grants and contributions account for 13.31%; and unrestricted grants and entitlements, property taxes, and other revenue make up the remaining 13.15%.

The income and other tax revenue for 2009 was \$10,824,780, which was a decrease of \$84,271 or 0.77%.



City of Chillicothe, Ohio

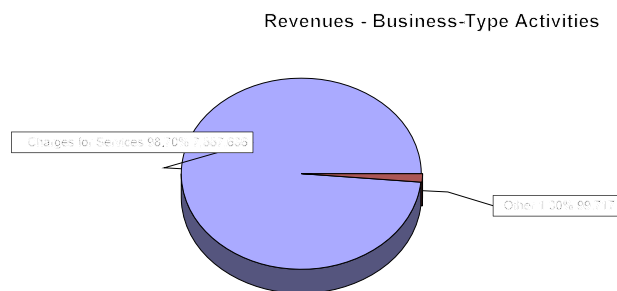
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

General Government and Security of Persons and Property expenses increased due to an increase in salaries and fringe benefits.

The largest functional expense for the City of Chillicothe was for security of persons and property, which includes the Police and Fire departments.

Business-Type Activities

The business-type activities of the City of Chillicothe, which include its water and sewer operations, increased the net assets by \$48,816. The majority of the increase in net assets is the result of the amount transfers in exceeds transfers out for 2009.



Financial Analysis of the City of Chillicothe's Funds

Governmental Funds

The focus of the City of Chillicothe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting. The General Fund is the chief operating fund of the City of Chillicothe. At the end of 2009, the total fund balance for the General Fund was \$2,374,618 of which \$2,232,978 was unreserved.

During the current year, the fund balance of the General Fund decreased by \$2,200,492. The decrease in the General Fund balance is a result of a decrease in intergovernmental revenue and increases in expenditures for General Government and Security of Persons and Property: Police.

At the end of 2009, the Bus Transit Fund had a fund deficit of \$272,771, which is a decrease of \$691,677. This was the result of the borrowing of funds to construct the new transit facility.

The Street Construction Maintenance & Repair Fund had a fund balance of \$121,317 at the end of 2009, which is an increase of \$66,985. This was the net result of an increase in expenditures of \$845,063 and an issuance of a refunding note of \$900,000.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Proprietary Funds

During the current year, the net assets of the City of Chillicothe's Water Fund increased by \$85,099 or 0.41%. The increase in the Water Fund net assets is due mostly to a slight increase in charges for services which allowed revenues to continue to exceed expenses.

During the current year, the net assets of the Sewer Fund decreased by \$36,283 or 0.18%. The decrease in the Sewer Fund net assets is due mostly to a decrease in charges for services.

General Fund Budgeting Highlights

The City of Chillicothe's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2009, the City of Chillicothe amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for an ordinance on the change. The City of Chillicothe does allow small interdepartmental budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$18,331,347 and the final budgeted revenue amount was \$17,976,980.

The difference between the General Fund's final budget and actual revenues in the Local Taxes was \$231,247 or 2.52%. The difference was due to an increase in the receipt of municipal income tax.

The differences between the General Fund's original budget and final amended budget of expenditures amounted to a \$2,068,754 increase, which included the changes that follow:

- The significant changes were \$1,857,413 additional appropriation in General Government, and \$211,641 in Security of Persons and Property.

The difference between the General Fund's final budget and actual for the General Government expenditures was \$1,652,255 or 17.75%. This decrease in actual expenditures was the result of decreases in overtime and capital outlay expenditures.

City of Chillicothe, Ohio

Management's Discussion and Analysis
 For the Year Ended December 31, 2009
 Unaudited

Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities	
	2009	2008	2009	2008
Land	\$6,864,490	\$6,752,940	\$1,889,017	\$1,889,017
Construction in Progress	4,460,654	295,282	0	0
Land Improvements	44,586	7,373	0	0
Buildings, Structures and Improvements	7,344,247	6,590,168	2,056,766	2,100,655
Plant and Facilities	0	0	15,358,504	15,857,547
Furniture, Fixtures, & Equipment	1,791,532	1,890,519	508,765	479,379
Infrastructure	22,990,096	24,510,605	19,510,155	19,666,966
Total	<u>\$43,495,605</u>	<u>\$40,046,887</u>	<u>\$39,323,207</u>	<u>\$39,993,564</u>

Total capital assets for governmental activities of the City of Chillicothe for the year 2009 were \$43,495,605 or \$3,448,718 more than in 2008. This increase was mostly due to construction in progress of the new transit facility.

The decrease in capital assets for business-type activities of \$670,357 was due primarily to the annual depreciation expense. Additional information concerning capital assets can be found in Note 7 of the notes to the basic financial statements.

As of December 31, 2009, the City of Chillicothe had \$12,993,063 in bonds, OPWC loan, and notes outstanding.

OUTSTANDING DEBT AT DECEMBER 31

	2009	2008
Governmental Activities		
General Obligation Bonds:		
Various Purpose	\$455,000	\$705,000
Police and Fire Pension	415,000	435,000
Street Improvement Note	1,000,000	1,200,000
Fire Truck Acquisition Note	200,000	400,000
Bus Garage Facility Note	1,400,000	1,400,000
Municipal Court Building Note	2,200,000	0
OPWC Loan	63,063	75,675
Total Governmental Activities	<u>5,733,063</u>	<u>4,215,675</u>
Business-Type Activities		
Water Revenue Bonds	5,665,000	6,675,000
Sewer General Obligation Bonds	1,595,000	1,685,000
Total Business-Type Activities	<u>7,260,000</u>	<u>8,360,000</u>
Total	<u>\$12,993,063</u>	<u>\$12,575,675</u>

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

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

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

There is \$5,665,000 in water revenue bonds.

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

The \$200,000 general obligation note is for the fire truck acquisition.

The \$1,400,000 general obligation note is for the new bus transit facility.

The \$2,200,000 general obligation note is for the new Municipal Court building.

The \$63,063 OPWC loan was for street improvements.

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

Current Known Facts and Conditions

City income tax collections decreased in 2009 due to reductions in employment levels at Glatfelter, Kenworth, and Horizon Communications. Although the City fully expects the economic outlook to improve over time, it is difficult to predict when or to what extent a recovery will take hold.

Contacting the City's Financial Management

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

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City of Chillicothe, Ohio

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$6,062,075	\$4,947,342	\$11,009,417
Cash and Cash Equivalents in Segregated Accounts	265,223	0	265,223
Investments	1,000	0	1,000
Materials and Supplies Inventory	81,656	49,429	131,085
Accrued Interest Receivable	9,156	0	9,156
Accounts Receivable	203,376	1,233,334	1,436,710
Internal Balance	754	(754)	0
Intergovernmental Receivable	4,184,044	0	4,184,044
Prepaid Items	152,389	56,704	209,093
Taxes Receivable	64,541	0	64,541
Income Taxes Receivable	1,311,770	0	1,311,770
Property Taxes Receivable	1,205,350	0	1,205,350
Special Assessments Receivable	93,502	8,776	102,278
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	0	1,818,467	1,818,467
Cash and Cash Equivalents with Fiscal Agents	0	1,694,714	1,694,714
Deferred Charges	0	65,288	65,288
Non-Depreciable Capital Assets	11,325,144	1,889,017	13,214,161
Depreciable Capital Assets, net	<u>32,170,461</u>	<u>37,434,190</u>	<u>69,604,651</u>
<i>Total Assets</i>	<u>57,130,441</u>	<u>49,196,507</u>	<u>106,326,948</u>
Liabilities:			
Accounts Payable	116,140	204,464	320,604
Accrued Wages and Benefits	359,578	69,664	429,242
Contracts Payable	233,829	24,252	258,081
Intergovernmental Payable	988,645	111,813	1,100,458
Accrued Interest Payable	47,190	24,172	71,362
Unearned Revenue	1,218,109	0	1,218,109
Notes Payable	3,900,000	0	3,900,000
<i>Long-Term Liabilities:</i>			
Due Within One Year	2,131,060	1,524,425	3,655,485
Due in More Than One Year	<u>2,762,726</u>	<u>6,608,020</u>	<u>9,370,746</u>
<i>Total Liabilities</i>	<u>11,757,277</u>	<u>8,566,810</u>	<u>20,324,087</u>
Net Assets:			
Investments in Capital Assets, Net of Related Debt	39,109,104	32,021,986	71,131,090
<i>Restricted for:</i>			
Debt Service	13,507	1,694,714	1,708,221
Capital Outlay	321,193	1,818,467	2,139,660
Street Maintenance and Repair	321,959	0	321,959
Bus Transit	2,465,846	0	2,465,846
Housing and Urban Development	1,234,949	0	1,234,949
Other Purposes	1,216,833	0	1,216,833
<i>Permanent Fund Purpose:</i>			
Expendable	2,187	0	2,187
Nonexpendable	1,000	0	1,000
Unrestricted	<u>686,586</u>	<u>5,094,530</u>	<u>5,781,116</u>
<i>Total Net Assets</i>	<u>\$45,373,164</u>	<u>\$40,629,697</u>	<u>\$86,002,861</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Activities

For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$5,856,422	\$2,155,542	\$24,324	\$0
<i>Security of Persons and Property:</i>				
Police	5,616,398	96,135	0	0
Fire	5,370,049	1,112,873	0	0
Transportation	7,341,642	192,654	3,387,055	3,691,384
Leisure Time Services	520,058	103,915	5,973	87,321
Community Environment	1,685,430	0	1,971,841	0
Basic Utility Services	874,302	1,004,003	0	0
Interest and Fiscal Charges	136,428	0	0	0
<i>Total Governmental Activities</i>	<u>27,400,729</u>	<u>4,665,122</u>	<u>5,389,193</u>	<u>3,778,705</u>
Business-Type Activities:				
Sewer	3,248,239	3,155,672	0	0
Water	4,400,088	4,401,964	0	0
<i>Total Business-Type Activities</i>	<u>7,648,327</u>	<u>7,557,636</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u>\$35,049,056</u>	<u>\$12,222,758</u>	<u>\$5,389,193</u>	<u>\$3,778,705</u>

General Revenues

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Municipal Income Taxes Levied for:

General Purposes

Transportation

Capital Outlay

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, As Restated (see Note 4)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(3,676,556)	\$0	(\$3,676,556)
(5,520,263)	0	(5,520,263)
(4,257,176)	0	(4,257,176)
(70,549)	0	(70,549)
(322,849)	0	(322,849)
286,411	0	286,411
129,701	0	129,701
(136,428)	0	(136,428)
<u>(13,567,709)</u>	<u>0</u>	<u>(13,567,709)</u>
0	(92,567)	(92,567)
<u>0</u>	<u>1,876</u>	<u>1,876</u>
<u>0</u>	<u>(90,691)</u>	<u>(90,691)</u>
<u>(13,567,709)</u>	<u>(90,691)</u>	<u>(13,658,400)</u>
935,673	0	935,673
221,814	0	221,814
9,186,508	0	9,186,508
668,288	0	668,288
836,331	0	836,331
133,653	0	133,653
2,098,454	0	2,098,454
151,647	16	151,663
<u>323,883</u>	<u>99,701</u>	<u>423,584</u>
14,556,251	99,717	14,655,968
<u>(39,790)</u>	<u>39,790</u>	<u>0</u>
<u>14,516,461</u>	<u>139,507</u>	<u>14,655,968</u>
948,752	48,816	997,568
<u>44,424,412</u>	<u>40,580,881</u>	<u>85,005,293</u>
<u>\$45,373,164</u>	<u>\$40,629,697</u>	<u>\$86,002,861</u>

City of Chillicothe, Ohio

Balance Sheet
Governmental Funds

December 31, 2009

	General	Bus Transit	Street Construction Maintenance & Repair Fund	All Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$3,624,385	\$593,996	\$146,704	\$1,696,990	\$6,062,075
Cash and Cash Equivalents in Segregated Accounts	0	259,796	0	5,427	265,223
Investments in City Treasury	0	0	0	1,000	1,000
Accrued Interest Receivable	9,156	0	0	0	9,156
Accounts Receivable	203,181	0	0	195	203,376
Interfund Receivable	85,715	0	0	130,400	216,115
Intergovernmental Receivable	701,544	1,886,555	469,079	1,126,866	4,184,044
Income Taxes Receivable	1,065,812	81,986	0	163,972	1,311,770
Property Taxes Receivable	964,706	0	0	240,644	1,205,350
Other Taxes Receivable	64,541	0	0	0	64,541
Special Assessments Receivable	93,502	0	0	0	93,502
Materials and Supplies Inventory	59,238	7,158	15,260	0	81,656
Prepaid Items	126,992	10,711	39	14,647	152,389
<i>Total Assets</i>	<u>\$6,998,772</u>	<u>\$2,840,202</u>	<u>\$631,082</u>	<u>\$3,380,141</u>	<u>\$13,850,197</u>
Liabilities:					
Accounts Payable	\$63,729	\$20,475	\$18,341	\$13,595	\$116,140
Accrued Wages and Benefits	294,111	35,346	18,822	11,299	359,578
Contracts Payable	19,924	199,994	13,911	0	233,829
Intergovernmental Payable	552,782	58,063	32,473	345,327	988,645
Accrued Interest Payable	764	28,583	13,499	1,260	44,106
Interfund Payable	0	31,895	0	183,466	215,361
Deferred Revenue	1,492,844	1,338,617	312,719	1,048,278	4,192,458
Notes Payable	2,200,000	1,400,000	100,000	200,000	3,900,000
<i>Total Liabilities</i>	<u>4,624,154</u>	<u>3,112,973</u>	<u>509,765</u>	<u>1,803,225</u>	<u>10,050,117</u>
Fund Balances:					
Reserved for Encumbrances	14,648	211,336	30,792	175,401	432,177
Reserved for Prepaid Items	126,992	10,711	39	14,647	152,389
Reserved for Endowments	0	0	0	1,000	1,000
<i>Unreserved, Undesignated, Reported in:</i>					
General Fund	2,232,978	0	0	0	2,232,978
Special Revenue Funds	0	(494,818)	90,486	1,269,761	865,429
Debt Service Funds	0	0	0	16,591	16,591
Capital Projects Funds	0	0	0	97,329	97,329
Permanent Funds	0	0	0	2,187	2,187
<i>Total Fund Balances</i>	<u>2,374,618</u>	<u>(272,771)</u>	<u>121,317</u>	<u>1,576,916</u>	<u>3,800,080</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,998,772</u>	<u>\$2,840,202</u>	<u>\$631,082</u>	<u>\$3,380,141</u>	<u>\$13,850,197</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio		
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities		
December 31, 2009		
Total Governmental Fund Balances		\$3,800,080
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		43,495,605
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	52,275	
Intergovernmental	2,893,606	
Special Assessments	<u>28,468</u>	
Total		2,974,349
Some interest is not due and payable in the current period and therefore is not reported in the funds.		(3,084)
Some liabilities, including the bonds and loan payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(455,000)	
Police & Fire Pension Bonds	(415,000)	
OPWC Loan Payable	(63,063)	
Notes Payable	(900,000)	
Premium on Bonds Issued	(4,162)	
Capital Leases Payable	(114,276)	
Landfill Postclosure Costs	(564,551)	
Compensated Absences Payable	<u>(2,377,734)</u>	
Total		<u>(4,893,786)</u>
Net Assets of Governmental Activities		<u><u>\$45,373,164</u></u>
See accompanying notes to the basic financial statements		

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	General	Bus Transit	Street Construction Maintenance & Repair Fund	All Other Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$932,321	\$0	\$0	\$221,518	\$1,153,839
Income Taxes	8,463,474	668,288	0	1,559,365	10,691,127
Other Local Taxes	133,653	0	0	0	133,653
Charges for Services	2,177,987	159,613	0	77,465	2,415,065
Fines, Licenses, and Permits	2,136,818	0	0	96,135	2,232,953
Intergovernmental	2,052,410	4,234,683	943,999	2,616,529	9,847,621
Special Assessments	17,104	0	0	0	17,104
Interest	151,567	0	0	80	151,647
Other	235,326	52,742	12,375	53,737	354,180
<i>Total Revenues</i>	<u>16,300,660</u>	<u>5,115,326</u>	<u>956,374</u>	<u>4,624,829</u>	<u>26,997,189</u>
Expenditures:					
<i>Current:</i>					
General Government	6,366,060	0	0	348,995	6,715,055
<i>Security of Persons and Property:</i>					
Police	5,119,633	0	0	604,682	5,724,315
Fire	4,220,065	0	0	660,043	4,880,108
Transportation	233,780	5,751,428	2,251,262	331,132	8,567,602
Leisure Time Services	155,759	0	0	781,146	936,905
Community Environment	154	0	0	1,370,750	1,370,904
Basic Utility Services	880,792	0	0	0	880,792
Capital Outlay	0	0	0	1,715,632	1,715,632
<i>Debt Service:</i>					
Principal Retirements	40,536	2,569	12,612	272,266	327,983
Interest and Fiscal Charges	10,969	43,616	30,190	54,347	139,122
<i>Total Expenditures</i>	<u>17,027,748</u>	<u>5,797,613</u>	<u>2,294,064</u>	<u>6,138,993</u>	<u>31,258,418</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(727,088)</u>	<u>(682,287)</u>	<u>(1,337,690)</u>	<u>(1,514,164)</u>	<u>(4,261,229)</u>
Other Financing Sources and Uses:					
Proceeds from Sale of Capital Assets	10,108	4	0	989	11,101
Inception of Capital Lease	35,842	10,417	0	0	46,259
Issuance of Refunding Note	0	0	900,000	0	900,000
Payment for Refunded Note	0	0	0	(200,000)	(200,000)
Transfers In	862,420	0	504,675	2,053,602	3,420,697
Transfers Out	(2,381,774)	(19,811)	0	(1,058,902)	(3,460,487)
<i>Total Other Financing Sources and Uses</i>	<u>(1,473,404)</u>	<u>(9,390)</u>	<u>1,404,675</u>	<u>795,689</u>	<u>717,570</u>
<i>Net Change in Fund Balance</i>	<u>(2,200,492)</u>	<u>(691,677)</u>	<u>66,985</u>	<u>(718,475)</u>	<u>(3,543,659)</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>4,575,110</u>	<u>418,906</u>	<u>54,332</u>	<u>2,295,391</u>	<u>7,343,739</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$2,374,618</u>	<u>(\$272,771)</u>	<u>\$121,317</u>	<u>\$1,576,916</u>	<u>\$3,800,080</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds (\$3,543,659)

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

Governmental funds report capital outlays as expenditures.

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

Capital Asset Additions	6,650,166	
Current Year Depreciation	(3,111,635)	
Total		3,538,531

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

(89,813)

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

Delinquent Property Taxes	3,648	
Intergovernmental	1,388,434	
Total		1,392,082

Repayment of bond, notes, loan and capital lease principal is an expenditure
in the governmental funds, but the repayment reduces long-term liabilities
in the statement of net assets.

527,983

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

2,694

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

(946,259)

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

(7,475)

Compensated absences do not require the use of current financial
resources and therefore are not reported as expenditures.

Compensated Absences	70,458	
Capital Leases Traded-In	4,210	
Total		74,668

Change in Net Assets - Governmental Activities

\$948,752

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local Taxes	\$9,090,160	\$9,188,141	\$9,419,388	\$231,247
Charges for Services	2,978,200	3,105,600	3,215,446	109,846
Fines, Licenses, and Permits	2,991,500	2,323,500	2,340,329	16,829
Intergovernmental	2,760,239	2,914,239	3,004,460	90,221
Special Assessments	10,000	17,000	17,104	104
Investment Earnings	250,000	250,000	203,032	(46,968)
Other	251,248	178,500	217,464	38,964
<i>Total Revenues</i>	<u>18,331,347</u>	<u>17,976,980</u>	<u>18,417,223</u>	<u>440,243</u>
Expenditures:				
Current:				
General Government	7,450,263	9,307,676	7,655,421	1,652,255
Security of Persons and Property				
Police	5,097,042	5,286,592	5,103,687	182,905
Fire	4,312,690	4,334,781	4,235,158	99,623
Transportation	235,000	235,000	233,780	1,220
Community Environment	1,100	1,100	154	946
Basic Utility Services	1,023,100	1,023,100	908,553	114,547
Leisure Time Activities	175,040	174,740	157,862	16,878
<i>Total Expenditures</i>	<u>18,294,235</u>	<u>20,362,989</u>	<u>18,294,615</u>	<u>2,068,374</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	37,112	(2,386,009)	122,608	2,508,617
Other Financing Sources and Uses:				
Proceeds From Sale of Capital Assets	0	0	10,108	10,108
Issuance of Notes	0	2,200,000	2,200,000	0
Transfers In	743,280	740,996	862,420	121,424
Transfers Out	(2,598,200)	(2,585,538)	(2,381,774)	203,764
<i>Total Other Sources and Uses</i>	<u>(1,854,920)</u>	<u>355,458</u>	<u>690,754</u>	<u>335,296</u>
<i>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</i>	(1,817,808)	(2,030,551)	813,362	2,843,913
<i>Fund Balances at Beginning of Year</i>	2,538,356	2,538,356	2,538,356	0
<i>Prior Year Encumbrances Appropriated</i>	151,113	151,113	151,113	0
<i>Fund Balances at End of Year</i>	<u>\$871,661</u>	<u>\$658,918</u>	<u>\$3,502,831</u>	<u>\$2,843,913</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local Taxes	\$611,000	\$611,000	\$656,184	\$45,184
Charges for Services	112,000	112,000	159,613	47,613
Intergovernmental	4,512,342	4,512,342	3,903,089	(609,253)
Other	43,937	41,520	53,703	12,183
<i>Total Revenues</i>	<u>5,279,279</u>	<u>5,276,862</u>	<u>4,772,589</u>	<u>(504,273)</u>
Expenditures:				
Current:				
Transportation	4,811,751	8,397,752	7,514,016	883,736
<i>Total Expenditures</i>	<u>4,811,751</u>	<u>8,397,752</u>	<u>7,514,016</u>	<u>883,736</u>
<i>Excess of Revenues (Under) Expenditures</i>	467,528	(3,120,890)	(2,741,427)	379,463
Other Financing Sources and Uses:				
Issuance of Notes	0	1,400,000	1,400,000	0
Proceeds From Sale of Capital Assets	0	0	4	4
Transfers Out	(22,300)	(22,300)	(19,811)	2,489
<i>Total Other Sources and Uses</i>	<u>(22,300)</u>	<u>1,377,700</u>	<u>1,380,193</u>	<u>2,493</u>
<i>Excess of Revenues and Other Sources (Under) Expenditures and Other Uses</i>	445,228	(1,743,190)	(1,361,234)	381,956
<i>Fund Balances at Beginning of Year</i>	1,432,610	1,432,610	1,432,610	0
<i>Prior Year Encumbrances Appropriated</i>	<u>311,282</u>	<u>311,282</u>	<u>311,282</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$2,189,120</u>	<u>\$702</u>	<u>\$382,658</u>	<u>\$381,956</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$935,000	\$935,000	\$941,243	\$6,243
Other	10,395	8,700	12,375	3,675
<i>Total Revenues</i>	<u>945,395</u>	<u>943,700</u>	<u>953,618</u>	<u>9,918</u>
Expenditures:				
Current:				
Transportation	2,512,999	3,600,731	3,498,749	101,982
<i>Total Expenditures</i>	<u>2,512,999</u>	<u>3,600,731</u>	<u>3,498,749</u>	<u>101,982</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,567,604)	(2,657,031)	(2,545,131)	111,900
Other Financing Sources and Uses:				
Transfers In	461,100	504,675	504,675	0
Issuance of Notes	0	1,000,000	1,000,000	0
<i>Total Other Financing Sources and Uses</i>	<u>461,100</u>	<u>1,504,675</u>	<u>1,504,675</u>	<u>0</u>
<i>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</i>	(1,106,504)	(1,152,356)	(1,040,456)	111,900
<i>Fund Balances at Beginning of Year</i>	118,159	118,159	118,159	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,036,761</u>	<u>1,036,761</u>	<u>1,036,761</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$48,416</u>	<u>\$2,564</u>	<u>\$114,464</u>	<u>\$111,900</u>

See accompanying notes to the basic financial statements

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City of Chillicothe, Ohio

Statement of Fund Net Assets
Proprietary Funds

December 31, 2009

	Enterprise Funds		Total
	Water	Sewer	
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$1,688,218	\$3,259,124	\$4,947,342
Accounts Receivable	685,610	547,724	1,233,334
Special Assessments Receivable	6,975	1,801	8,776
Materials and Supplies Inventory	45,920	3,509	49,429
Prepaid Items	27,340	29,364	56,704
<i>Total Current Assets</i>	<u>2,454,063</u>	<u>3,841,522</u>	<u>6,295,585</u>
<i>Noncurrent Assets:</i>			
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	1,200,000	618,467	1,818,467
Cash and Cash Equivalents with Fiscal Agents	1,694,714	0	1,694,714
Deferred Charges	65,288	0	65,288
Non-Depreciable Capital Assets	1,412,520	476,497	1,889,017
Depreciable Capital Assets, Net	20,604,634	16,829,556	37,434,190
<i>Total Noncurrent Assets</i>	<u>24,977,156</u>	<u>17,924,520</u>	<u>42,901,676</u>
<i>Total Assets</i>	<u>27,431,219</u>	<u>21,766,042</u>	<u>49,197,261</u>
Liabilities:			
<i>Current:</i>			
Accounts Payable	195,079	9,385	204,464
Accrued Wages and Benefits	31,452	38,212	69,664
Contracts Payable	24,252	0	24,252
Intergovernmental Payable	54,057	57,756	111,813
Accrued Interest Payable	19,230	4,942	24,172
Interfund Payable	370	384	754
Compensated Absences Payable	132,684	254,203	386,887
General Obligation Bonds Payable	0	85,000	85,000
Capital Leases Payable	2,538	0	2,538
Revenue Bonds Payable	1,050,000	0	1,050,000
<i>Total Current Liabilities</i>	<u>1,509,662</u>	<u>449,882</u>	<u>1,959,544</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	211,454	167,595	379,049
General Obligation Bonds Payable	0	1,510,000	1,510,000
Revenue Bonds Payable	4,718,523	0	4,718,523
Capital Leases Payable	448	0	448
<i>Total Noncurrent Liabilities</i>	<u>4,930,425</u>	<u>1,677,595</u>	<u>6,608,020</u>
<i>Total Liabilities</i>	<u>6,440,087</u>	<u>2,127,477</u>	<u>8,567,564</u>
Net Assets:			
Investments in Capital Assets, Net of Related Debt	16,310,933	15,711,053	32,021,986
Restricted for Debt Service	1,694,714	0	1,694,714
Restricted for Capital Outlay	1,200,000	618,467	1,818,467
Unrestricted	1,785,485	3,309,045	5,094,530
<i>Total Net Assets</i>	<u>\$20,991,132</u>	<u>\$19,638,565</u>	<u>\$40,629,697</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Enterprise Funds		Total
	Water	Sewer	
Operating Revenues:			
Charges for Services	\$4,401,964	\$3,155,672	\$7,557,636
Other	78,296	21,405	99,701
<i>Total Operating Revenues</i>	<u>4,480,260</u>	<u>3,177,077</u>	<u>7,657,337</u>
Operating Expenses:			
Personal Services	1,186,965	1,083,414	2,270,379
Fringe Benefits	714,925	585,029	1,299,954
Travel	164	70	234
Contractual Services	132,926	61,490	194,416
Materials and Supplies	527,316	405,099	932,415
Depreciation	677,799	659,405	1,337,204
Other	748,678	387,761	1,136,439
<i>Total Operating Expenses</i>	<u>3,988,773</u>	<u>3,182,268</u>	<u>7,171,041</u>
<i>Operating Income (Loss)</i>	<u>491,487</u>	<u>(5,191)</u>	<u>486,296</u>
Non-Operating Revenues (Expenses):			
Interest	16	0	16
Interest and Fiscal Charges	(237,932)	(60,215)	(298,147)
Loss on Disposal of Capital Assets	(150,591)	(5,756)	(156,347)
Bond Issuance Costs	(22,792)	0	(22,792)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(411,299)</u>	<u>(65,971)</u>	<u>(477,270)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>80,188</u>	<u>(71,162)</u>	<u>9,026</u>
Transfers In	9,293	39,294	48,587
Transfers Out	(4,382)	(4,415)	(8,797)
<i>Change in Net Assets</i>	85,099	(36,283)	48,816
<i>Net Assets at Beginning of Year</i>	<u>20,906,033</u>	<u>19,674,848</u>	<u>40,580,881</u>
<i>Net Assets at End of Year</i>	<u>\$20,991,132</u>	<u>\$19,638,565</u>	<u>\$40,629,697</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2009

	Enterprise Funds		Total
	Water	Sewer	
Cash Flows from Operating Activities:			
Cash Received from Customers	\$4,371,212	\$3,083,748	\$7,454,960
Cash Received from Other Receipts	75,899	26,495	102,394
Cash Payments to Employees	(1,888,193)	(1,674,767)	(3,562,960)
Cash Payments for Contractual Services	(119,388)	(94,931)	(214,319)
Cash Payments for Supplies and Materials	(531,646)	(403,941)	(935,587)
Cash Payments for Other Expenses	(563,881)	(382,818)	(946,699)
<i>Net Cash Provided by Operating Activities</i>	<u>1,344,003</u>	<u>553,786</u>	<u>1,897,789</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers In from Other Funds	9,293	39,294	48,587
Transfers Out to Other Funds	(4,382)	(4,415)	(8,797)
<i>Net Cash Provided by Non-Capital Financing Activities</i>	<u>4,911</u>	<u>34,879</u>	<u>39,790</u>
Cash Flows from Capital and Related Financing Activities:			
Interest Paid on Bonds and Capital Leases	(267,154)	(60,406)	(327,560)
Principal Paid on Bonds and Capital Leases	(1,012,297)	(90,000)	(1,102,297)
Cash Paid to Acquire/Construct Capital Assets	(537,689)	(285,533)	(823,222)
Cash Received from Sale of Assets	14	14	28
<i>Net Cash Used by Capital and Related Financing</i>	<u>(1,817,126)</u>	<u>(435,925)</u>	<u>(2,253,051)</u>
Cash Flows from Investing Activities:			
Interest Received on Investments	16	0	16
<i>Net Cash Provided by Investing Activities</i>	<u>16</u>	<u>0</u>	<u>16</u>
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(468,196)	152,740	(315,456)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>5,051,128</u>	<u>3,724,851</u>	<u>8,775,979</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$4,582,932</u>	<u>\$3,877,591</u>	<u>\$8,460,523</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2009

	Enterprise Funds		Total
	Water	Sewer	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$491,487	(\$5,191)	\$486,296
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	677,799	659,405	1,337,204
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(27,973)	(71,924)	(99,897)
(Increase) Decrease in Special Assessments Receivable	(5,176)	5,090	(86)
(Increase) Decrease in Material & Supply Inventory	(1,530)	1,158	(372)
(Increase) Decrease in Prepaid Items	136	(14,543)	(14,407)
Increase (Decrease) in Accounts Payable	182,239	5,006	187,245
Increase (Decrease) in Contracts Payable	13,311	(18,898)	(5,587)
Increase (Decrease) in Accrued Wages Payable	2,132	3,318	5,450
Increase (Decrease) in Compensated Absences Payable	37,121	4,790	41,911
Increase (Decrease) in Interfund Payable	13	7	20
Increase (Decrease) in Intergovernmental Payable	(25,556)	(14,432)	(39,988)
Net Cash Provided by Operating Activities	<u>\$1,344,003</u>	<u>\$553,786</u>	<u>\$1,897,789</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2009

	Private Purpose Trust Fund	Agency Fund
Assets:		
Current Assets:		
Equity in Pooled Cash & Cash Equivalents	\$38,374	\$30,533
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>269,570</u>
<i>Total Assets</i>	<u>38,374</u>	<u>300,103</u>
Liabilities:		
Current Liabilities:		
Intergovernmental Payable	0	60,084
Undistributed Monies	0	206,606
Deposits Held and Due to Others	<u>0</u>	<u>33,413</u>
<i>Total Liabilities</i>	<u>0</u>	<u>\$300,103</u>
Net Assets:		
Held in Trust for Cemetery Maintenance	<u>\$38,374</u>	

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Changes in Fiduciary Net Assets
Fiduciary Fund

For the Year Ended December 31, 2009

	Private Purpose Trust Fund
Additions:	
Unclaimed Monies Received	<u>\$24,570</u>
<i>Total Additions</i>	<u>24,570</u>
Deductions:	
Monies Claimed	1,357
Amounts Paid to Funds - Expired Claims	<u>9,766</u>
<i>Total Deductions</i>	<u>11,123</u>
<i>Change in Net Assets</i>	13,447
<i>Net Assets at Beginning of Year</i>	<u>24,927</u>
<i>Net Assets at End of Year</i>	<u><u>\$38,374</u></u>

See accompanying notes to the basic financial statements

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CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they 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. The most significant of the City's accounting policies are described below.

Basis of Presentation

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

Bus Transit Fund - This fund accounts for the operation of the City Bus Transit System. Principal sources of revenue are income tax revenue and grants.

Street Construction Maintenance & Repair Fund - This fund accounts for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose for special revenue, debt service, permanent, and capital projects funds.

Proprietary Funds

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

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

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

Fiduciary Funds

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

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

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

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned (See Note 14).

Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 13). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

Unearned/Deferred Revenue

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as unearned/deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenditures/Expenses

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Budgetary Accounting and Control

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

Each City department prepares a budget which is approved by City Council. All modifications made throughout the year to the original department budgets must be requested by the departmental management and approved through legal resolution by City Council, except in the travel transportation, materials and supplies, contractual services, and miscellaneous or other expenditure categories of each department. Several budget modifications and supplemental appropriations were made during the year and each final budget amount reported in the budget to actual comparisons includes all modifications and supplemental appropriations that were necessary.

The City maintains budgetary control by object and ordinance does not permit expenditures and encumbrances to exceed appropriations for each object. Unencumbered and unexpended appropriations lapse at year-end in all budgeted funds.

Prior year encumbrances and corresponding prior year appropriations are carried forward as part of the budgetary authority for next year and are included in the original and final budget amounts shown in the budget-to-actual comparisons.

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

Cash and Cash Equivalents

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

Investments are reported at fair value which is based on quoted market prices.

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2009 amounted to \$151,567, which includes \$121,607 assigned from other City funds.

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

FOR THE YEAR ENDED DECEMBER 31, 2009

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

The City has bank accounts for monies held by a trustee which is used to make debt payments. These accounts are presented on the statement of net assets as "cash and cash equivalents with fiscal and trustees."

Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis.

Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds and as an expense in the proprietary funds when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Restricted Assets

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

Capital Assets

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

Compensated Absences

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

In governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignation or retirement. The noncurrent portion of the liability is not reported on the fund financial statements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability on the fund financial statements.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure.

As a result, encumbrances, prepaids, and principal portion of the permanent fund are recorded as a reservation of fund balance.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sanitary sewer services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

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

FOR THE YEAR ENDED DECEMBER 31, 2009

Interfund Transactions

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

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the government-wide financial statements. On the government-wide statements, “internal balances” represent short-term interfund loans between governmental and business-type activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence.

Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2009.

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.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

**Net Change in Fund Balance/Excess of Revenue and Other Sources
Over (Under) Expenditures and Other Uses**

	General Fund	Bus Transit Fund	Street Construction Maintenance & Repair Fund
GAAP Basis			
Adjustments:	\$(2,200,492)	\$(691,677)	\$66,985
Net Adjustment for Revenue Accruals	2,116,563	(342,737)	(2,756)
Net Adjustment for Expenditure Accruals	(1,252,219)	(1,505,067)	(1,173,893)
Encumbrances	(14,648)	(211,336)	(30,792)
Net Adjustment for Other Sources (Uses)	2,164,158	1,389,583	100,000
Budget Basis	<u>\$813,362</u>	<u>\$(1,361,234)</u>	<u>\$(1,040,456)</u>

NOTE 3A - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

<u>Major Funds</u>	<u>Deficit</u>
Bus Transit	\$272,771
<u>Nonmajor Funds</u>	<u>Deficit</u>
Police Pension	\$135,053
Fire Pension	173,813

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

NOTE 4 - NEW GASB PRONOUNCEMENTS AND ACCOUNTING ADJUSTMENTS

For fiscal year 2009, the City implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and Statement No. 56,

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

“Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”. The implementation of GASB Statements No. 52, 55, and 56 had no effect on the disclosure requirements and there was no effect on the prior period fund balances of the City.

The City restated net assets in the Governmental Activities at December 31, 2008 for an accounting adjustment. The City made an adjustment for land and a building purchased in 2007. The adjustment increased net assets and capital assets, which were previously understated.

	Governmental Activities
Governmental Activities	
Net Assets at December 31, 2008	\$43,850,327
Adjustment Due to Asset Additions	574,085
	<hr/>
Net Assets at December 31, 2008	\$44,424,412

NOTE 5 - CASH, DEPOSITS, AND INVESTMENTS

Monies held in the City Treasury are pooled for the purpose of investment management. The City is authorized to invest in those instruments identified in sections 135.14, 135.45, and 133.03 of the Ohio Revised Code. Specifically, these authorized instruments consist of:

- (1) Bonds, notes or other obligations guaranteed by the United States or those for which the full faith and credit of the United States is pledged;
- (2) Bonds, notes, debentures or other obligations or securities insured by any federal government agency;
- (3) Written repurchase agreements in the securities listed above;
- (4) Bonds and other obligations of Ohio, its political subdivisions, or other units or agencies of Ohio or its political subdivisions;
- (5) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
- (6) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investment in securities are made only through eligible institutions.
- (7) The State Treasurer’s investment pool (Star Ohio).

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
-Pooled	\$12,896,791
-Segregated	534,793
-Fiscal & Escrow Agents	1,694,714
Investment (Carrying Amount)	1,000
Reconciling items (net) to arrive at bank balances for deposits	<u>235,142</u>
Total available for deposit and investment	<u>\$15,362,440</u>

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the City had \$1,000 in undeposited cash on hand which is included on the financial statements as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City.

At December 31, 2009, the carrying amount of all City deposits was \$13,431,584. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2009, \$12,666,726 of the City's bank balance of \$13,666,726 was exposed to custodial risk as discussed above while \$1,000,000 was covered by Federal Deposit Insurance. Congress enacted temporary legislation to increase FDIC insurance coverage from \$100,000 to \$250,000 until December 31, 2013.

Investments: As of December 31, 2009, the City had the following investments and maturities:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Investment Type	Fair Value	One Year or Less
U.S. Treasury Bond	\$1,000	\$1,000
Money Market Mutual Fund	1,694,714	1,694,714
Totals	\$1,695,714	\$1,695,714

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the City’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its investments to those authorized by state statute. Standard and Poor’s and Moody’s has assigned the U.S. Treasury Bond an “Aaa” rating. Moody’s has assigned the Fifth Third U.S. Treasury Mutual Fund an “Aaa” rating.

Custodial Credit Risk: For investments, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. City policy and Ohio Revised Code provide that investment collateral is held by the counter party as trust department or agent, and may be held in the name of the City or not. All of the City’s securities are either insured and registered in the name of the City or at least registered in the name of the City.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2009 consisted of property taxes, municipal income taxes, accounts (billings for user charged services) and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities

General Fund:

Local Government Distributions	\$561,598
State Property Tax Reimbursements	60,237
Estate Taxes and Other Revenues	79,710
Total General Fund	701,544

Bus Transportation Grants	1,886,555
Street Construction Maintenance & Repair Distributions	469,079

Nonmajor Special Revenue Funds:

State Highway Distributions	38,034
Housing and Urban Development Grants	1,052,890
Grants	21,602
Police & Fire Pension State Property Tax Reimbursements	14,340

Total Nonmajor Special Revenue Funds	1,126,866
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Total Intergovernmental Receivables	\$4,184,044
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CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 7- CAPITAL ASSETS

A summary of changes in general capital assets during 2009 are as follows:

	Restated Balance 01/01/2009	Additions	Deletions	Balance 12/31/2009
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$6,752,940	\$111,550	\$0	\$6,864,490
Construction in Progress	295,282	4,165,372	0	4,460,654
Total Nondepreciable Capital Assets	7,048,222	4,276,922	0	11,325,144
Depreciable Capital Assets				
Land Improvements	4,689,895	137,803	0	4,827,698
Buildings, Structures and Improvements	13,829,473	1,044,828	(8,299)	14,866,002
Furniture, Fixtures, Equipment, & Vehicles	9,791,047	824,689	(473,111)	10,142,625
Infrastructure	55,144,306	365,924	0	55,510,230
Total Depreciable Capital Assets	83,454,721	2,373,244	(481,410)	85,346,555
Less Accumulated Depreciation:				
Land Improvements	(4,682,522)	(100,590)	0	(4,783,112)
Buildings, Structures and Improvements	(7,239,305)	(288,883)	6,433	(7,521,755)
Furniture, Fixtures, Equipment, & Vehicles	(7,900,528)	(835,729)	385,164	(8,351,093)
Infrastructure	(30,633,701)	(1,886,433)	0	(32,520,134)
Total Accumulated Depreciation	(50,456,056)	(3,111,635)	391,597	(53,176,094)
Total Capital Assets Being Depreciated, Net	32,998,665	(738,391)	(89,813)	32,170,461
Governmental Activities Capital Assets, Net	<u>\$40,046,887</u>	<u>3,538,531</u>	<u>\$(89,813)</u>	<u>\$43,495,605</u>

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

Governmental Activities		
General Government		\$151,629
<i>Security of Persons and Property:</i>		
Police		145,231
Fire		436,386
Transportation		1,888,126
Community Environment		314,526
Leisure Time Activities		175,737
Governmental Activities Depreciation Expense		<u>\$3,111,635</u>

	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009
Business-Type Activities:				
Nondepreciable Capital Assets:				
Land	\$1,889,017	\$0	\$0	\$1,889,017
Total Nondepreciable Capital Assets	1,889,017	0	0	1,889,017

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Depreciable Capital Assets				
Land Improvements	272,721	0	0	272,721
Buildings, Structures and Improvements	3,841,289	8,740	0	3,850,029
Plant and Facilities	25,072,722	0	0	25,072,722
Furniture, Fixtures, Equipment, & Vehicles	2,592,425	196,782	(21,962)	2,767,245
Infrastructure	28,534,639	617,700	(242,997)	28,909,342
Total Depreciable Capital Assets	60,313,796	823,222	(264,959)	60,872,059
Less Accumulated Depreciation:				
Land Improvements	(272,721)	(0)	0	(272,721)
Buildings, Structures and Improvements	(1,740,634)	(52,629)	0	(1,793,263)
Plant and Facilities	(9,215,175)	(499,043)	0	(9,714,218)
Furniture, Fixtures, Equipment, & Vehicles	(2,113,046)	(167,113)	21,679	(2,258,480)
Infrastructure	(8,867,673)	(618,419)	86,905	(9,399,187)
Total Accumulated Depreciation	(22,209,249)	(1,337,204)	108,584	(23,437,869)
Depreciable Capital Assets, Net	38,104,547	(513,982)	(156,375)	37,434,190
Business-Type Activities Capital Assets, Net	\$39,993,564	\$(513,982)	\$(156,375)	\$39,323,207

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

NOTE 8 - NOTES PAYABLE

The City's note transactions for the year ended December 31, 2009, were as follows:

Purpose	Balance 1/1/09	Additions	Deletions	Balance 12/31/09
Governmental Activities:				
Bond Anticipation Notes Payable:				
Fire Truck Acquisition, 2.90%	\$200,000	\$0	\$200,000	\$0
Fire Truck Acquisition, 3.15%	0	200,000	0	200,000
Street Improvement, 2.75%	200,000	0	200,000	0
Street Improvement, 2.50%	1,000,000	0	1,000,000	0
Street Improvement, 3.00%	0	100,000	0	100,000
Bus Garage Facility, 2.50%	1,400,000	0	1,400,000	0
Bus Garage Facility, 3.50%	0	1,400,000	0	1,400,000
Municipal Court Building, 1.25%	0	2,200,000	0	2,200,000
Governmental Activities Note Payable	\$2,800,000	\$3,900,000	\$2,800,000	\$3,900,000

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

During March of 2009, the City paid \$200,000 of the outstanding \$400,000 fire truck acquisition bond anticipation note and refinanced the remaining \$200,000. In June 2009, the City paid \$200,000 in street improvement notes and reissued \$1,000,000 for the same purpose. On June 8, 2010, the City paid \$100,000 against the new \$1,000,000 street improvement note and refinanced the remaining \$900,000. In August 2009, the City reissued \$1,400,000 in notes to pay its share of costs for the new Bus Garage Facility. Finally, on December 30, 2009, the City issued \$2,200,000 in bond anticipation notes to pay for the former AEP building which will serve as the new home of the Chillicothe Municipal Court.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009
NOTE 9 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2009, was as follows:

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

Purpose	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable:					
Various Purpose G.O. Refunding Bonds, \$2,125,000, 3.31%, 2003 - 2012	\$705,000	\$ 0	\$(250,000)	\$455,000	\$190,000
Issuance Premium on Bonds	6,242	0	(2,080)	4,162	0
Police & Fire Pension Bonds, \$575,000, 3.75-5.625%, 1999 - 2024	435,000	0	(15,000)	415,000	20,000
OPWC Term Loan Payable, \$126,126, 0.00%, 2005 - 2014	75,675	0	(12,612)	63,063	12,612
Bond Anticipation Notes Payable:					
Fire Truck Acquisition, 2.90%	200,000	0	(200,000)	0	0
Street Improvement, 3.00%	0	900,000	0	900,000	900,000
Other Long-Term Obligations:					
Compensated Absences	2,448,192	896,800	(967,258)	2,377,734	914,720
Capital Leases	117,598	46,259	(49,581)	114,276	42,405
Landfill Post-Closure Care	557,076	7,475	0	564,551	51,323
Governmental Activities Long-Term Obligations	<u>\$4,544,783</u>	<u>\$1,850,534</u>	<u>\$(1,496,531)</u>	<u>\$4,893,786</u>	<u>\$2,131,060</u>

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

General obligation bonds issued for governmental activities of the City are retired through the Bond Retirement Debt Service Fund using monies transferred from the General, Safety Levy Capital, and Police and Fire Pension Funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax levy within the limitations of the Ohio law. These bonds are also backed by the full faith and credit of the City as additional security.

In 2005, the City of Chillicothe borrowed \$126,126 Issue II funds for street improvements. The OPWC loan will be paid from the Street Construction Maintenance & Repair Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. Capital lease obligations will be paid from the fund that maintains custody of the related asset. The landfill post-closure care liability will be paid from the General Fund. For a description of the bond anticipation notes see Note 8.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009
Business-Type Activities Bonds and Other Long-Term Obligations

Purpose	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009	Amounts Due Within One Year
Business-Type Activities:					
Revenue Bonds Payable:					
Municipal Water System Refunding \$11,350,000, 5.22%, 2003 - 2014	\$6,675,000	\$ 0	\$(1,010,000)	\$5,665,000	\$1,050,000
Issuance Premium on Bonds	129,404	0	(25,881)	103,523	0
General Obligation Bonds Payable:					
\$2,095,000, Sewer Bonds, 3.31%, 2003-2023	1,685,000	0	(90,000)	1,595,000	85,000
Compensated Absences	724,025	229,117	(187,206)	765,936	386,887
Capital Leases	5,283	0	(2,297)	2,986	2,538
Business-Type Activities Long-Term Obligations	<u>\$9,218,712</u>	<u>\$229,117</u>	<u>\$(1,315,384)</u>	<u>\$8,132,445</u>	<u>\$1,524,425</u>

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

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

Enterprise fund assets, whose use is restricted under bond indentures, are presented as restricted assets on the statement of net assets. Restricted assets relating to the revenue bonds at December 31, 2009 are as follows:

Business-Type Activities

Restricted Assets Held by the City For:		
Water System Replacement and Improvement		\$1,200,000
Restricted Assets Held by the Trustee for:		
Water System Bond Debt Service		1,694,714
Business-Type Activities Restricted Assets		<u><u>\$2,894,714</u></u>

Compensated absences for business-type activities will be paid from the fund from which the employees' salaries are paid. Capital lease obligations for business-type activities will be paid from the fund that maintains custody of the related asset.

Debt service requirements are as follows:

For year Ended Dec 31	General Obligation Bonds		Police & Fire Pension Bonds	
	Principal	Interest	Principal	Interest
2010	\$190,000	\$13,345	\$20,000	\$22,964
2011	190,000	8,025	20,000	21,964
2012	75,000	2,325	20,000	20,944
2013	0	0	20,000	19,903
2014	0	0	25,000	18,844
2015 - 2019	0	0	135,000	72,844
2020 - 2024	0	0	175,000	30,656
	<u>\$455,000</u>	<u>\$23,695</u>	<u>\$415,000</u>	<u>\$208,119</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2009

For Year Ended Dec 31	Water Revenue Bonds		Sewer G. O. Bonds	
	Principal	Interest	Principal	Interest
2010	\$1,050,000	\$226,418	\$85,000	\$58,190
2011	1,095,000	184,417	95,000	55,810
2012	1,130,000	147,188	95,000	52,960
2013	1,175,000	104,813	100,000	50,015
2014	1,215,000	60,750	100,000	46,765
2015 - 2019	0	0	570,000	178,163
2020 - 2024	0	0	550,000	57,850
	<u>\$5,665,000</u>	<u>\$723,586</u>	<u>\$1,595,000</u>	<u>\$499,753</u>

For Year Ended Dec 31	OPWC Loan Payable Principal Only
2010	\$12,613
2011	12,612
2012	12,613
2013	12,612
2014	12,613
	<u>\$63,063</u>

NOTE 10 - CAPITAL LEASES

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the statement of revenues, expenditures and changes in fund balance for governmental funds as a functional expenditure and "inception of capital lease". Capital lease payments are reflected as debt service expenditures in the General, Bus Transit, Street Construction Maintenance & Repair, and Parks and Recreation funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$301,520 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2009 were \$45,371 in the governmental funds.

The City's future minimum lease payments and present value of net minimum lease payments required under these capital lease obligations as of December 31, 2009 are as follows:

Year Ended December 31,	Capital Lease Payments	
	Governmental Activities	Business-Type Activities
2010	\$51,008	\$2,723
2011	35,251	454
2012	25,149	0
2013	14,369	0
2014	3,658	0
Total Future Minimum Lease Payments	129,435	3,177
Less: Amount Representing Interest	(15,159)	(191)
Present Value of Net Minimum Lease Payments	<u>\$114,276</u>	<u>\$2,986</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description: The City of Chillicothe contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State. OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan; the Member Direct Plan is a Defined Contribution Plan; and the Combined Plan is a cost sharing multiple employer defined benefit pension plan that has elements of both a Defined Benefit and Defined Contribution Plan.

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

The Member- Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings

Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the members, accumulate retirement assets in a manner similar to the Member Directed Plan.

OPERS provides retirement and disability benefits, annual cost-of-living adjustments, survivor and death benefits to plan members of the Traditional Pension and Combined Plans. Members of the Member- Directed Plan do not qualify for ancillary benefits. Benefits are established and amended by state statute and are contained in Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone, publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-PERS (7377).

Funding Policy: The Ohio Revised Code provides statutory authority for member and employer contribution rates. For 2009, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. Plan members, other than those engaged in law enforcement, are required to contribute 10.0% of their annual covered salary.

CITY OF CHILLICOTHE, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2009

Employer contribution rates are expressed as a percentage of the covered payroll of active members. The employer contribution rate for pension benefits for 2009 was 14.0% of covered payroll, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contribution was 17.63% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for State and local employer units and 18.1% of covered payroll for law and public safety employer units. The City's required contributions to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$545,200, \$517,898, and \$598,578, respectively; 92.49% has been contributed for 2009, 100% for years 2008 and 2007. Of the 2009 amount, \$40,920 was unpaid at December 31, 2009 and is recorded as a fund liability in the basic financial statements.

Postemployment Benefits: The OPERS also provides postretirement health care benefits to age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Active members do not make contributions to the OPEB plan.

In 2009, for local government employer units the rate was 14.0% of covered payroll; 7.0% was the portion used to fund health care from January 1 through March 31, 2009, and 5.5% was the portion used from April 1 through December 31, 2009. The 2008 employer rate was 17.63% and 7.0% was used to fund health care for both the law enforcement and public safety divisions.

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

Of the employer contributions made by the City for the year 2009, \$101,622 was the amount used to fund postemployment health care from January 1 through March 31, 2009, and \$348,526 was the amount from April 1 through December 31, 2009. The actual contribution and the actuarially required contribution amounts are the same.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

Plan Description: The City of Chillicothe contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

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

Funding Policy: Plan members are required to contribute 10.0% of their annual covered salary to fund pension benefits, while the City is required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for the years ending December 31, 2009, 2008 and 2007 were \$816,133, \$789,496, and \$761,472, respectively; 72.0% has been contributed for 2009 and 100% for years 2008 and 2007. Of the 2009 amount \$224,539 was unpaid at December 31, 2009 and is recorded as a fund liability in the basic financial statements.

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

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Postemployment Benefits: The OP&F System of Ohio provides access to postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school

CITY OF CHILLICOTHE, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2009

or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Active members do not make contributions to the OPEB Plan. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F shall be included in the employer's contribution rate, which is 19.5% of covered payroll for police officers and 24.0% of covered payroll for firefighters. Of these employer contribution rates for the City, 6.75% was applied to the postemployment health care program. Of the employer contributions made by the City for the year 2009, \$366,020 was the amount used to fund postemployment health care.

The Ohio Revised Code provides the statutory authority allowing the OP&F Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2008 and 6.75% in 2009. The amount of employer contributions allocated to the health care plan each year is subject to the Trustee's primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). 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.

NOTE 12 - COMPENSATED ABSENCES

Upon retirement, employees of the Police Department with at least eight years of credited service are paid 75% of their accrued sick leave if hired prior to January 1, 1988. Those hired after January 1, 1988 will be paid 50% of their accrued sick leave. Vacation time is vested for these employees after one year of credited service. Unused vacation may be accumulated and carried over without limit. Compensatory time may also be accumulated by employees but must be used within specified limits.

No provision exists for these employees to be compensated for overtime worked in lieu of compensatory time off. All sick leave, vacation and compensatory time off is compensated at the employee's current rate of pay at the time of retirement or termination. Employees of the Fire Department have no requirement for years of credited service in order to be compensated for accrued sick leave, and are paid 75% of their sick leave if earned prior to April 1, 1987, and 60% of sick leave earned after April 1, 1987. Vacation time is vested for these employees after six months of credited service. Compensatory time may also be accumulated for overtime worked in lieu of compensatory time off. Employees may elect to be compensated for overtime worked in lieu of compensatory time off.

All other full time employees of the City with at least five years of credited service upon retirement, are paid 75% of their accrued sick leave if earned prior to September 1, 1987, and 60% of accrued sick leave after September 1, 1987. Vacation time is vested for these employees after six months of credited service. Unused vacation may be accumulated and

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

carried over up to three years accrual. Compensatory time may also be accumulated up to specified limits.

Employees may elect to be compensated for over time worked in lieu of compensatory time off. All sick leave, vacation and compensatory time is compensated at the employee's current rate of pay at the time of retirement or termination.

NOTE 13 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value by property classification upon which the 2009 tax levy was based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$396,324,680
Tangible Personal Property	2,605,380
Public Utility Property	<u>15,266,240</u>
Total	<u><u>\$414,196,300</u></u>

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

In 2009, real property taxes were levied on January 1, 2009, on assessed values as of January 1, 2008, the lien date. Real estate taxes were due and payable on February 13 and July 10, 2009. Personal property taxes were due and payable on May 9 and September 19, 2009, on assessed values as of the lien date, December 31, 2008.

The County Treasurer collects property taxes on behalf of all taxing districts within the City. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Accrued property taxes receivable represent current taxes which were levied, measurable and unpaid, as well as, delinquent taxes outstanding as of December 31, 2009.

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

NOTE 14 - MUNICIPAL INCOME TAXES

The City levies an income tax of 1.6% on substantially all income earned within the City. In

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

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

As of December 31, 2009 there were \$528,018 in delinquent income taxes for which collection is uncertain, therefore these taxes are not accrued. In 2009, these municipal income taxes generated a combined total of \$10,691,127 in local tax revenue.

NOTE 15 - INTERFUND ACTIVITY

As of December 31, 2009, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
	_____	_____
Governmental Activities		
General Fund	\$85,715	\$0
Bus Transit Fund	0	31,895
<i>Nonmajor Special Revenue Funds:</i>		
Income Tax	130,400	0
Parks and Recreation	0	26,531
Parking	0	35
Total Nonmajor Special Revenue Funds	130,400	26,566
<i>Nonmajor Capital Projects Funds:</i>		
Safety Levy Capital	0	26,500
Parks and Recreation Capital	0	130,400
Total Nonmajor Capital Projects Funds	0	156,900
<i>Business-Type Activities:</i>		
Water	0	370
Sewer	0	384
Total Business-Type Funds	0	754
<i>Total</i>	<u>\$216,115</u>	<u>\$216,115</u>

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

A summary of interfund transfers for 2009 are as follows:

CITY OF CHILlicoTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Transfers In

Transfers Out	General	Street Construction Maintenance & Repair Fund	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Water	Sewer	Total
General	\$0	\$504,675	\$1,733,752	\$50,000	\$44,760	\$9,293	\$39,294	\$2,381,774
Bus Transit	19,811	0	0	0	0	0	0	19,811
Nonmajor	822,950	0	0	0	0	0	0	822,950
Special Revenue								
Nonmajor	10,862	0	0	0	225,090	0	0	235,952
Capital Projects								
Water	4,382	0	0	0	0	0	0	4,382
Sewer	4,415	0	0	0	0	0	0	4,415
	<u>\$862,420</u>	<u>\$504,675</u>	<u>\$1,733,752</u>	<u>\$50,000</u>	<u>\$269,850</u>	<u>\$9,293</u>	<u>\$39,294</u>	<u>\$3,469,284</u>

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

In the year ended December 31, 2009, the City made transfers of \$2,238,427 from the General Fund to various funds to subsidize the programs of those funds.

NOTE 16 - ROSS COUNTY AND CHILlicoTHE LAW ENFORCEMENT COMPLEX

The Ross County and Chillicothe Law Enforcement Complex is a shared asset between Ross County and the City which is located in downtown Chillicothe and houses the Chillicothe Police Department, Ross County Sheriff's Department and Ross County Jail.

An agreement developed by and between Ross County and the City governs the shared costs of constructing the facility as well as the continuing costs of maintaining the facility.

In the agreement with Ross County, the City has agreed to lease space in the Law Complex from the County for fifty years. All lease payments made by the City were paid at the beginning of the lease term and were considered the City's share of the costs incurred during construction of the Law Complex. The agreement further states that Ross County and the City will share in the costs of repairs, maintenance and replacement incurred relative to the operation of the Law Complex. Those costs are explained as follows:

- * The cost of any repairs or maintenance to the roof section which covers the Law Complex section of the facility shall be shared equally by both entities.
- * The City shall pay a pro rata share of 18.47 percent of the costs associated with repairing, maintaining and replacing the public elevators, freight lift, heating, air conditioning, electrical systems and plumbing within the Law Complex section of the facility. The City's pro rata share of 18.47 percent is derived by taking a percentage of the square footage occupied by the City to the total square footage of the Law Complex.

CITY OF CHILLICOTHE, OHIO
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- * Any costs of repairs, maintenance or replacement to sidewalks, public areas and parking lots contiguous to the Law Complex, including snow removal, shall be shared equally by both entities.
- * The City shall pay 100 percent of the costs of repairing, maintaining and replacing interior decorations within the City offices and 50 percent of the costs relative to interior decorations in the common offices of the Law Complex.
- * The City shall pay 50 percent of the costs of repairing, maintaining and replacing telephone equipment in the common offices of the Law Complex.
- * The City shall pay 18.47 percent of gas, electric, water, sewer, and solid waste disposal utilities and 50 percent of janitorial services.
- * The City has no percentage interest in the jail area of the facility, rather, the City is billed on a per diem basis by Ross County for the housing of its prisoners.

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

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

NOTE 17 - LANDFILL CLOSURE AND POST CLOSURE CARE

In 1988, state and federal laws and regulations required the City to stop accepting waste at the Chillicothe Landfill and place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. Final closure of the landfill occurred in 1990.

In 2009, the City incurred \$72,838 in post closure care costs and increased its postclosure care liability by \$7,475, which is a change in estimate. To this date, the City has incurred approximately \$2,148,355 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

The City has accrued a liability for landfill post-closure care costs of \$564,551. The liability is based on an average of cumulative postclosure care costs to this date projected over the next twelve years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability is provided through the General Fund where transfers will be made over the next eleven years.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009
NOTE 18 - RISK MANAGEMENT

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

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

General liability insurance is maintained in the amount of \$2,000,000 for each occurrence. Other liability insurance includes \$2,000,000 for law enforcement professional liability, \$2,000,000 for public official errors and omissions liability, \$2,000,000 for automobile liability, and \$100,000 for uninsured motorists liability.

In addition, the City maintains replacement cost insurance on buildings and contents in the amount of \$33,028,500. Other property insurance includes \$108,600 unscheduled and \$1,461,465 scheduled for contractor's equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$33,028,500. Insurance deductibles on any of the above coverages do not exceed \$50,000.

The City participates in the Workers' Compensation Program provided by the State of Ohio. The City no longer belongs to a pool with other Ohio cities for a workers' compensation group rating program. Settled claims have exceeded the above coverage limits in the past three years.

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

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

NOTE 19 - CONTINGENCIES

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

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

FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 20 - SUBSEQUENT EVENTS

On March 12, 2010, the City paid off the \$200,000 general obligation bond anticipation note for the purpose of purchasing a new fire truck.

On June 8, 2010, the City paid \$100,000 of the outstanding \$1,000,000 in street improvement bond anticipation notes and reissued them for \$900,000 at an interest rate of 1.78%.

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CITY OF CHILLICOTHE, OHIO

GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

State Highway Fund

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

Parks and Recreation Fund

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

HUD Fund

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

Grants Fund

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

Floodwall Fund

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

Cablevision Fund

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

Income Tax Fund

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

Law Enforcement Fund

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

CITY OF CHILLICOTHE, OHIO

Indigent Drivers Alcohol Treatment Fund

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

OMVI Enforcement & Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

Police Pension Fund

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

Fire Pension Fund

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

CITY OF CHILLICOTHE, OHIO

NONMAJOR BOND RETIREMENT FUND

The bond retirement fund is used to account for the accumulation of resources for, and the payment of principal and interest on general obligation bonds. Since this is the only debt service fund, no combining statements are presented for the debt service fund.

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Improvement Fund

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

Issue II Fund

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

Safety Levy Capital Fund

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

Landfill Closure Fund

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

Parks and Recreation Capital Fund

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

Streetscape Fund

To account for streetscape maintenance expenses.

CITY OF CHILLICOTHE, OHIO

NONMAJOR PERMANENT FUND

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

Carlisle Hill Fund

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

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City of Chillicothe, Ohio

Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$1,300,165	\$16,591	\$378,047	\$2,187	1,696,990
Cash and Cash Equivalents in Segregated Accounts	5,427	0	0	0	5,427
Investments in City Treasury	0	0	0	1,000	1,000
Accounts Receivable	195	0	0	0	195
Interfund Receivable	130,400	0	0	0	130,400
Intergovernmental Receivable	1,126,866	0	0	0	1,126,866
Income Taxes Receivable	53,127	0	110,845	0	163,972
Property Taxes Receivable	240,644	0	0	0	240,644
Prepaid Items	11,902	0	2,745	0	14,647
<i>Total Assets</i>	<u>\$2,868,726</u>	<u>\$16,591</u>	<u>\$491,637</u>	<u>\$3,187</u>	<u>\$3,380,141</u>
Liabilities:					
Accounts Payable	\$1,311	\$0	\$12,284	\$0	\$13,595
Accrued Wages and Benefits	11,299	0	0	0	11,299
Intergovernmental Payable	345,327	0	0	0	345,327
Accrued Interest Payable	0	0	1,260	0	1,260
Interfund Payable	26,566	0	156,900	0	183,466
Deferred Revenue	1,048,278	0	0	0	1,048,278
Notes Payable	0	0	200,000	0	200,000
<i>Total Liabilities</i>	<u>1,432,781</u>	<u>0</u>	<u>370,444</u>	<u>0</u>	<u>1,803,225</u>
Fund Balances:					
Reserved for Encumbrances	154,282	0	21,119	0	175,401
Reserved for Prepaid Items	11,902	0	2,745	0	14,647
Reserved for Endowments	0	0	0	1,000	1,000
<i>Unreserved, Undesignated, Reported in:</i>					
Special Revenue Funds	1,269,761	0	0	0	1,269,761
Debt Service Funds	0	16,591	0	0	16,591
Capital Projects Funds	0	0	97,329	0	97,329
Permanent Funds	0	0	0	2,187	2,187
<i>Total Fund Balances</i>	<u>1,435,945</u>	<u>16,591</u>	<u>121,193</u>	<u>3,187</u>	<u>1,576,916</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,868,726</u>	<u>\$16,591</u>	<u>\$491,637</u>	<u>\$3,187</u>	<u>\$3,380,141</u>

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

For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$221,518	\$0	\$0	\$0	\$221,518
Income Taxes	723,034	0	836,331	0	1,559,365
Charges for Services	77,465	0	0	0	77,465
Fines, Licenses, and Permits	96,135	0	0	0	96,135
Intergovernmental	2,045,611	0	570,918	0	2,616,529
Interest	40	0	0	40	80
Other	32,398	0	21,339	0	53,737
<i>Total Revenues</i>	<u>3,196,201</u>	<u>0</u>	<u>1,428,588</u>	<u>40</u>	<u>4,624,829</u>
Expenditures:					
<i>Current:</i>					
General Government	348,995	0	0	0	348,995
<i>Security of Persons and Property:</i>					
Police	604,682	0	0	0	604,682
Fire	660,043	0	0	0	660,043
Transportation	331,132	0	0	0	331,132
Leisure Time Services	781,146	0	0	0	781,146
Community Environment	1,370,750	0	0	0	1,370,750
Capital Outlay	0	0	1,715,632	0	1,715,632
<i>Debt Service:</i>					
Principal Retirements	20,000	250,000	2,266	0	272,266
Interest and Fiscal Charges	23,944	19,584	10,819	0	54,347
<i>Total Expenditures</i>	<u>4,140,692</u>	<u>269,584</u>	<u>1,728,717</u>	<u>0</u>	<u>6,138,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(944,491)</u>	<u>(269,584)</u>	<u>(300,129)</u>	<u>40</u>	<u>(1,514,164)</u>
Other Financing Sources and Uses:					
Proceeds from Sale of Capital Assets	989	0	0	0	989
Payment for Refunded Note	0	0	(200,000)	0	(200,000)
Transfers In	1,733,752	269,850	50,000	0	2,053,602
Transfers Out	(822,950)	0	(235,952)	0	(1,058,902)
<i>Total Other Financing Sources and Uses</i>	<u>911,791</u>	<u>269,850</u>	<u>(385,952)</u>	<u>0</u>	<u>795,689</u>
<i>Net Change in Fund Balance</i>	<u>(32,700)</u>	<u>266</u>	<u>(686,081)</u>	<u>40</u>	<u>(718,475)</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,468,645</u>	<u>16,325</u>	<u>807,274</u>	<u>3,147</u>	<u>2,295,391</u>
<i>Fund Balance at End of Year</i>	<u>\$1,435,945</u>	<u>\$16,591</u>	<u>\$121,193</u>	<u>\$3,187</u>	<u>\$1,576,916</u>

City of Chillicothe, Ohio

Combining Balance Sheet
 Nonmajor Special Revenue Funds

December 31, 2009

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$21,095	\$142,890	\$178,037	\$117,201	\$48,527
Cash and Cash Equivalents in Segregated Accounts	0	0	4,022	0	0
Accounts Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	38,034	0	1,052,890	21,602	0
Income Taxes Receivable	0	53,127	0	0	0
Property Taxes Receivable	0	0	0	0	0
Prepaid Items	0	2,360	0	0	9,542
<i>Total Assets</i>	<u>\$59,129</u>	<u>\$198,377</u>	<u>\$1,234,949</u>	<u>\$138,803</u>	<u>\$58,069</u>
Liabilities:					
Accounts Payable	\$0	\$1,311	\$0	\$0	\$0
Accrued Wages and Benefits	1,238	3,482	0	0	0
Intergovernmental Payable	3,322	20,198	0	0	0
Interfund Payable	0	26,531	0	0	0
Deferred Revenue	25,356	0	746,336	21,602	0
<i>Total Liabilities</i>	<u>29,916</u>	<u>51,522</u>	<u>746,336</u>	<u>21,602</u>	<u>0</u>
Fund Balances:					
Reserved for Encumbrances	0	0	138,819	0	8,567
Reserved for Prepaid Items	0	2,360	0	0	9,542
<i>Unreserved, Undesignated, Reported in:</i> Special Revenue Funds	<u>29,213</u>	<u>144,495</u>	<u>349,794</u>	<u>117,201</u>	<u>39,960</u>
<i>Total Fund Balances</i>	<u>29,213</u>	<u>146,855</u>	<u>488,613</u>	<u>117,201</u>	<u>58,069</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$59,129</u>	<u>\$198,377</u>	<u>\$1,234,949</u>	<u>\$138,803</u>	<u>\$58,069</u>

Cablevision	Income Tax	Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines	Parking
\$5,765	\$343,734	\$84,967	\$243,980	\$366	\$54,728	\$51,760
0	0	0	1,321	84	0	0
0	0	0	0	0	195	0
0	130,400	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$5,765</u>	<u>\$474,134</u>	<u>\$84,967</u>	<u>\$245,301</u>	<u>\$450</u>	<u>\$54,923</u>	<u>\$51,760</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	6,579
0	0	0	0	0	0	5,826
0	0	0	0	0	0	35
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	12,440
0	0	6,896	0	0	0	0
0	0	0	0	0	0	0
<u>5,765</u>	<u>474,134</u>	<u>78,071</u>	<u>245,301</u>	<u>450</u>	<u>54,923</u>	<u>39,320</u>
<u>5,765</u>	<u>474,134</u>	<u>84,967</u>	<u>245,301</u>	<u>450</u>	<u>54,923</u>	<u>39,320</u>
<u>\$5,765</u>	<u>\$474,134</u>	<u>\$84,967</u>	<u>\$245,301</u>	<u>\$450</u>	<u>\$54,923</u>	<u>\$51,760</u>

continued

City of Chillicothe, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds

December 31, 2009

	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$3,915	\$3,200	\$1,300,165
Cash and Cash Equivalents in Segregated Accounts	0	0	5,427
Accounts Receivable	0	0	195
Interfund Receivable	0	0	130,400
Intergovernmental Receivable	7,170	7,170	1,126,866
Income Taxes Receivable	0	0	53,127
Property Taxes Receivable	115,468	125,176	240,644
Prepaid Items	0	0	11,902
<i>Total Assets</i>	<u>\$126,553</u>	<u>\$135,546</u>	<u>\$2,868,726</u>
Liabilities:			
Accounts Payable	\$0	\$0	\$1,311
Accrued Wages and Benefits	0	0	11,299
Intergovernmental Payable	138,968	177,013	345,327
Interfund Payable	0	0	26,566
Deferred Revenue	122,638	132,346	1,048,278
<i>Total Liabilities</i>	<u>261,606</u>	<u>309,359</u>	<u>1,432,781</u>
Fund Balances:			
Reserved for Encumbrances	0	0	154,282
Reserved for Prepaid Items	0	0	11,902
<i>Unreserved, Undesignated, Reported in: Special Revenue Funds</i>	<u>(135,053)</u>	<u>(173,813)</u>	<u>1,269,761</u>
<i>Total Fund Balances</i>	<u>(135,053)</u>	<u>(173,813)</u>	<u>1,435,945</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$126,553</u>	<u>\$135,546</u>	<u>\$2,868,726</u>

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City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	498,778	0	0	0
Charges for Services	0	44,424	0	0	0
Fines, Licenses, and Permits	0	0	0	0	0
Intergovernmental	76,542	0	1,622,635	260,484	0
Interest	0	0	40	0	0
Other	1,109	13,073	0	0	8,135
<i>Total Revenues</i>	<u>77,651</u>	<u>556,275</u>	<u>1,622,675</u>	<u>260,484</u>	<u>8,135</u>
Expenditures:					
<i>Current:</i>					
General Government	0	0	0	0	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Transportation	102,884	0	0	0	0
Leisure Time Services	0	781,146	0	0	0
Community Environment	0	0	1,259,704	64,853	46,193
<i>Debt Service:</i>					
Principal Retirements	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>102,884</u>	<u>781,146</u>	<u>1,259,704</u>	<u>64,853</u>	<u>46,193</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(25,233)</u>	<u>(224,871)</u>	<u>362,971</u>	<u>195,631</u>	<u>(38,058)</u>
Other Financing Sources and Uses					
Proceeds from Sale of Capital Assets	0	489	0	0	0
Transfers In	0	259,752	0	0	60,000
Transfers Out	0	(768)	0	(218,524)	(28,339)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>259,473</u>	<u>0</u>	<u>(218,524)</u>	<u>31,661</u>
<i>Net Change in Fund Balance</i>	<u>(25,233)</u>	<u>34,602</u>	<u>362,971</u>	<u>(22,893)</u>	<u>(6,397)</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>54,446</u>	<u>112,253</u>	<u>125,642</u>	<u>140,094</u>	<u>64,466</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$29,213</u>	<u>\$146,855</u>	<u>\$488,613</u>	<u>\$117,201</u>	<u>\$58,069</u>

<u>Cablevision</u>	<u>Income Tax</u>	<u>Law Enforcement</u>	<u>Indigent Driver's Alcohol Treatment</u>	<u>OMVI Enforcement & Education</u>	<u>Mandatory Drug Fines</u>	<u>Parking</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	224,256	0	0	0	0	0
0	0	0	0	0	0	33,041
0	0	60,044	30,218	2,231	3,642	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	10,081
<u>0</u>	<u>224,256</u>	<u>60,044</u>	<u>30,218</u>	<u>2,231</u>	<u>3,642</u>	<u>43,122</u>
0	348,995	0	0	0	0	0
0	0	95,011	0	7,402	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	228,248
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>348,995</u>	<u>95,011</u>	<u>0</u>	<u>7,402</u>	<u>0</u>	<u>228,248</u>
<u>0</u>	<u>(124,739)</u>	<u>(34,967)</u>	<u>30,218</u>	<u>(5,171)</u>	<u>3,642</u>	<u>(185,126)</u>
0	0	0	0	0	0	500
0	325,000	0	0	0	0	199,000
0	(575,000)	0	0	0	0	(319)
<u>0</u>	<u>(250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>199,181</u>
0	(374,739)	(34,967)	30,218	(5,171)	3,642	14,055
<u>5,765</u>	<u>848,873</u>	<u>119,934</u>	<u>215,083</u>	<u>5,621</u>	<u>51,281</u>	<u>25,265</u>
<u>\$5,765</u>	<u>\$474,134</u>	<u>\$84,967</u>	<u>\$245,301</u>	<u>\$450</u>	<u>\$54,923</u>	<u>\$39,320</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Revenues:			
Property Taxes	\$110,759	\$110,759	\$221,518
Income Taxes	0	0	723,034
Charges for Services	0	0	77,465
Fines, Licenses, and Permits	0	0	96,135
Intergovernmental	42,975	42,975	2,045,611
Interest	0	0	40
Other	0	0	32,398
<i>Total Revenues</i>	<u>153,734</u>	<u>153,734</u>	<u>3,196,201</u>
Expenditures:			
<i>Current:</i>			
General Government	0	0	348,995
<i>Security of Persons and Property:</i>			
Police	502,269	0	604,682
Fire	0	660,043	660,043
Transportation	0	0	331,132
Leisure Time Services	0	0	781,146
Community and Economic Development	0	0	1,370,750
<i>Debt Service:</i>			
Principal Retirements	4,000	16,000	20,000
Interest and Fiscal Charges	5,344	18,600	23,944
<i>Total Expenditures</i>	<u>511,613</u>	<u>694,643</u>	<u>4,140,692</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(357,879)</u>	<u>(540,909)</u>	<u>(944,491)</u>
Other Financing Sources and Uses			
Proceeds from Sale of Capital Assets	0	0	989
Transfers In	360,000	530,000	1,733,752
Transfers Out	0	0	(822,950)
<i>Total Other Financing Sources and Uses</i>	<u>360,000</u>	<u>530,000</u>	<u>911,791</u>
<i>Net Change in Fund Balance</i>	2,121	(10,909)	(32,700)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(137,174)</u>	<u>(162,904)</u>	<u>1,468,645</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>(\$135,053)</u>	<u>(\$173,813)</u>	<u>\$1,435,945</u>

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City of Chillicothe, Ohio

Combining Balance Sheet
Nonmajor Capital Projects Funds

December 31, 2009

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$32,000	\$0	\$169,567
Income Taxes Receivable	0	0	81,986
Prepaid Items	<u>0</u>	<u>0</u>	<u>2,745</u>
<i>Total Assets</i>	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$254,298</u></u>
Liabilities:			
Accounts Payable	\$0	\$0	\$11,471
Accrued Interest Payable	0	0	1,260
Interfund Payable	0	0	26,500
Notes Payable	<u>0</u>	<u>0</u>	<u>200,000</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>239,231</u>
Fund Balances:			
Reserved for Encumbrances	0	0	21,119
Reserved for Prepaid Items	0	0	2,745
<i>Unreserved, Undesignated, Reported in:</i>			
Capital Projects Funds	<u>32,000</u>	<u>0</u>	<u>(8,797)</u>
<i>Total Fund Balances</i>	<u>32,000</u>	<u>0</u>	<u>15,067</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$254,298</u></u>

Landfill Closure	Parks & Recreation Capital	Streetscape	Total Nonmajor Capital Projects Funds
\$42,037	\$130,950	\$3,493	\$378,047
0	28,859	0	110,845
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,745</u>
<u>\$42,037</u>	<u>\$159,809</u>	<u>\$3,493</u>	<u>\$491,637</u>
\$813	\$0	\$0	\$12,284
0	0	0	1,260
0	130,400	0	156,900
<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
<u>813</u>	<u>130,400</u>	<u>0</u>	<u>370,444</u>
0	0	0	21,119
0	0	0	2,745
<u>41,224</u>	<u>29,409</u>	<u>3,493</u>	<u>97,329</u>
<u>41,224</u>	<u>29,409</u>	<u>3,493</u>	<u>121,193</u>
<u>\$42,037</u>	<u>\$159,809</u>	<u>\$3,493</u>	<u>\$491,637</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
Revenues:			
Income Taxes	\$0	\$0	\$668,288
Intergovernmental	0	483,597	0
Other	0	0	5,211
<i>Total Revenues</i>	<u>0</u>	<u>483,597</u>	<u>673,499</u>
Expenditures:			
Capital Outlay	0	483,597	540,233
<i>Debt Service:</i>			
Principal Retirements	0	0	0
Interest and Fiscal Charges	0	0	10,540
<i>Total Expenditures</i>	<u>0</u>	<u>483,597</u>	<u>550,773</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>0</u>	<u>122,726</u>
Other Financing Sources and Uses:			
Payment for Refunded Note	0	0	(200,000)
Transfers In	0	0	0
Transfers Out	0	0	(216,351)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>(416,351)</u>
<i>Net Change in Fund Balance</i>	0	0	(293,625)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>32,000</u>	<u>0</u>	<u>308,692</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$32,000</u>	<u>\$0</u>	<u>\$15,067</u>

Landfill Closure	Parks & Recreation Capital	Streetscape	Total Nonmajor Capital Projects Funds
\$0	\$168,043	\$0	\$836,331
0	87,321	0	570,918
0	16,128	0	21,339
0	271,492	0	1,428,588
73,651	598,290	19,861	1,715,632
0	2,266	0	2,266
	279	0	10,819
73,651	600,835	19,861	1,728,717
(73,651)	(329,343)	(19,861)	(300,129)
0	0	0	(200,000)
50,000	0	0	50,000
0	(19,601)	0	(235,952)
50,000	(19,601)	0	(385,952)
(23,651)	(348,944)	(19,861)	(686,081)
64,875	378,353	23,354	807,274
<u>\$41,224</u>	<u>\$29,409</u>	<u>\$3,493</u>	<u>\$121,193</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$9,090,160	\$9,188,141	\$9,419,388	\$231,247
Charges for Services	2,978,200	3,105,600	3,215,446	109,846
Fines, Licenses and Permits	2,991,500	2,323,500	2,340,329	16,829
Intergovernmental	2,760,239	2,914,239	3,004,460	90,221
Special Assessments	10,000	17,000	17,104	104
Investment Earnings	250,000	250,000	203,032	(46,968)
Miscellaneous	251,248	178,500	217,464	38,964
Total Revenue	18,331,347	17,976,980	18,417,223	440,243
Expenditures				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	313,728	312,943	308,436	4,507
Fringe Benefits	191,175	191,266	189,341	1,925
Travel Transportatior	3,750	3,750	2,619	1,131
Materials and Supplies	70,246	69,639	44,989	24,650
Contractual Services	14,300	13,640	5,035	8,605
Capital Outlay	800	4,100	3,770	330
Other	8,650	8,910	7,399	1,511
Total Mayor	602,649	604,248	561,589	42,659
City Council				
Personal Services	60,031	60,023	59,975	48
Fringe Benefits	125,356	144,074	143,678	396
Travel Transportatior	600	0	0	0
Materials and Supplies	600	108	108	0
Other	100	1,165	1,165	0
Total City Council	186,687	205,370	204,926	444
Treasurer				
Personal Services	43,711	44,999	39,536	5,463
Fringe Benefits	53,730	53,595	51,893	1,702
Materials and Supplies	2,300	2,195	1,887	308
Contractual Services	1,900	2,080	2,079	1
Capital Outlay	900	1,900	1,744	156
Other	400	325	325	0
Total Treasurer	102,941	105,094	97,464	7,630

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income Tax Department				
Personal Services	127,150	127,150	124,220	2,930
Fringe Benefits	95,220	95,220	91,950	3,270
Travel Transportation	200	100	0	100
Materials and Supplies	13,350	14,850	10,080	4,770
Contractual Services	5,500	4,600	4,335	265
Other	600	100	22	78
Total Income Tax Department	242,020	242,020	230,607	11,413
Land and Buildings				
Materials and Supplies	184,500	184,611	166,056	18,555
Contractual Services	46,700	46,700	44,130	2,570
Capital Outlay	54,755	71,301	46,119	25,182
Other	500	389	389	0
Total Land and Buildings	286,455	303,001	256,694	46,307
Law Director				
Personal Services	405,650	405,788	403,250	2,538
Fringe Benefits	248,750	248,612	222,504	26,108
Travel Transportation	650	634	634	0
Materials and Supplies	37,750	36,033	35,467	566
Contractual Services	34,150	34,560	27,263	7,297
Capital Outlay	2,000	2,000	846	1,154
Other	16,925	20,705	20,628	77
Total Law Director	745,875	748,332	710,592	37,740
Auditor				
Personal Services	304,153	300,193	300,192	1
Fringe Benefits	164,750	175,813	167,427	8,386
Travel Transportation	4,000	4,000	1,041	2,959
Materials and Supplies	14,500	14,600	6,664	7,936
Contractual Services	500	500	0	500
Other	5,200	5,100	1,704	3,396
Total Auditor	493,103	500,206	477,028	23,178
Municipal Court				
Personal Services	1,019,382	1,061,521	1,022,606	38,915
Fringe Benefits	578,728	574,607	538,965	35,642
Travel Transportation	6,550	6,415	3,918	2,497
Materials and Supplies	82,550	89,709	64,939	24,770
Contractual Services	8,500	12,900	5,834	7,066
Capital Outlay	135,103	2,340,103	1,193,616	1,146,487
Other	9,600	10,399	8,232	2,167
Total Municipal Court	1,840,413	4,095,654	2,838,110	1,257,544

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personal Services	44,750	47,520	47,520	0
Fringe Benefits	28,162	25,423	25,406	17
Travel Transportation	1,900	0	0	0
Materials and Supplies	21,850	20,380	14,053	6,327
Contractual Services	10,400	13,805	13,208	597
Other	2,100	1,845	1,845	0
<u>Total Civil Service</u>	<u>109,162</u>	<u>108,973</u>	<u>102,032</u>	<u>6,941</u>
Service Department				
Personal Services	90,185	90,185	89,233	952
Fringe Benefits	55,404	55,404	53,339	2,065
Travel Transportation	300	277	0	277
Materials and Supplies	7,825	7,848	4,256	3,592
Contractual Services	3,000	2,857	1,839	1,018
Capital Outlay	2,865	2,865	1,585	1,280
Other	900	1,043	422	621
<u>Total Service Department</u>	<u>160,479</u>	<u>160,479</u>	<u>150,674</u>	<u>9,805</u>
Engineering				
Personal Services	313,496	319,977	313,935	6,042
Fringe Benefits	183,090	176,609	160,244	16,365
Travel Transportation	13,700	13,750	13,115	635
Materials and Supplies	35,975	35,725	17,943	17,782
Contractual Services	69,950	69,450	35,802	33,648
Capital Outlay	11,658	12,453	12,312	141
Other	7,000	7,700	4,175	3,525
<u>Total Engineering</u>	<u>634,869</u>	<u>635,664</u>	<u>557,526</u>	<u>78,138</u>
Postage and Stores				
Materials and Supplies	80,000	80,000	74,431	5,569
<u>Total Postage and Stores</u>	<u>80,000</u>	<u>80,000</u>	<u>74,431</u>	<u>5,569</u>
Miscellaneous				
Fringe Benefits	26,300	26,300	15,960	10,340
Materials and Supplies	554,800	540,800	460,433	80,367
Contractual Services	1,334,610	895,595	873,311	22,284
Other	49,900	55,940	44,044	11,896
<u>Total Miscellaneous</u>	<u>1,965,610</u>	<u>1,518,635</u>	<u>1,393,748</u>	<u>124,887</u>
<u>Total General Government</u>	<u>7,450,263</u>	<u>9,307,676</u>	<u>7,655,421</u>	<u>1,652,255</u>
Security of Persons and Property				
Police Department				
Personal Services	3,033,812	3,134,094	3,108,063	26,031
Fringe Benefits	1,289,600	1,290,418	1,246,618	43,800
Travel Transportation	3,350	423	382	41
Materials and Supplies	172,400	182,966	171,277	11,689
Contractual Services	479,650	524,009	441,637	82,372
Other	40,610	77,062	65,271	11,791
<u>Total Police Department</u>	<u>5,019,422</u>	<u>5,208,972</u>	<u>5,033,248</u>	<u>175,724</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department				
Personal Services	2,839,190	2,849,174	2,831,798	17,376
Fringe Benefits	1,134,500	1,146,607	1,132,018	14,589
Travel Transportation	2,000	500	260	240
Materials and Supplies	264,250	267,750	207,630	60,120
Contractual Services	27,000	26,000	24,313	1,687
Other	45,750	44,750	39,139	5,611
<u>Total Fire Department</u>	<u>4,312,690</u>	<u>4,334,781</u>	<u>4,235,158</u>	<u>99,623</u>
Civil Defense				
Other	6,350	6,350	6,350	0
<u>Total Civil Defense</u>	<u>6,350</u>	<u>6,350</u>	<u>6,350</u>	<u>0</u>
Humane Officer				
Personal Services	4,150	4,150	1,183	2,967
Fringe Benefits	1,220	1,220	565	655
Contractual Services	4,000	4,000	4,000	0
<u>Total Humane Officer</u>	<u>9,370</u>	<u>9,370</u>	<u>5,748</u>	<u>3,622</u>
School Crossing Guards				
Personal Services	46,300	46,300	45,546	754
Fringe Benefits	15,150	15,150	12,795	2,355
Materials and Supplies	450	450	0	450
<u>Total School Crossing Guards</u>	<u>61,900</u>	<u>61,900</u>	<u>58,341</u>	<u>3,559</u>
<u>Total Security of Persons and Property</u>	<u>9,409,732</u>	<u>9,621,373</u>	<u>9,338,845</u>	<u>282,528</u>
Transportation				
Streets and Sidewalks				
Materials and Supplies	235,000	235,000	233,780	1,220
<u>Total Streets and Sidewalks</u>	<u>235,000</u>	<u>235,000</u>	<u>233,780</u>	<u>1,220</u>
<u>Total Transportation</u>	<u>235,000</u>	<u>235,000</u>	<u>233,780</u>	<u>1,220</u>
Community Environment				
Planning Commission				
Materials and Supplies	100	100	85	15
<u>Total Planning Commission</u>	<u>100</u>	<u>100</u>	<u>85</u>	<u>15</u>
Design and Review				
Materials and Supplies	500	500	69	431
Contractual Services	500	500	0	500
<u>Total Design and Review</u>	<u>1,000</u>	<u>1,000</u>	<u>69</u>	<u>931</u>
<u>Total Community Environment</u>	<u>1,100</u>	<u>1,100</u>	<u>154</u>	<u>946</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Refuse Department				
Personal Services	341,800	345,584	336,660	8,924
Fringe Benefits	242,850	239,066	222,092	16,974
Materials and Supplies	61,200	62,200	46,259	15,941
Contractual Services	360,000	360,000	288,562	71,438
Other	17,250	16,250	14,980	1,270
Total Refuse Department	1,023,100	1,023,100	908,553	114,547
Total Basic Utility Services	1,023,100	1,023,100	908,553	114,547
Leisure Time Activities				
Swimming Pool				
Personal Services	67,000	67,000	65,196	1,804
Fringe Benefits	14,650	14,650	13,848	802
Materials and Supplies	57,465	57,465	46,366	11,099
Contractual Services	4,100	4,100	1,727	2,373
Capital Outlay	29,800	29,800	29,800	0
Other	2,025	1,725	925	800
Total Swimming Pool	175,040	174,740	157,862	16,878
Total Leisure Time Activities	175,040	174,740	157,862	16,878
Total Expenditures	18,294,235	20,362,989	18,294,615	2,068,374
Excess of Revenues Over (Under) Expenditures	37,112	(2,386,009)	122,608	2,508,617
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	10,108	10,108
Issuance of Notes	0	2,200,000	2,200,000	0
Transfers-In	743,280	740,996	862,420	121,424
Transfers-Out	(2,598,200)	(2,585,538)	(2,381,774)	203,764
Total Other Sources (Uses)	(1,854,920)	355,458	690,754	335,296
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,817,808)	(2,030,551)	813,362	2,843,913
Fund Balances at Beginning of Year	2,538,356	2,538,356	2,538,356	0
Prior Year Encumbrances Appropriated	151,113	151,113	151,113	0
Fund Balances at End of Year	<u>\$871,661</u>	<u>\$658,918</u>	<u>\$3,502,831</u>	<u>\$2,843,913</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$611,000	\$611,000	\$656,184	\$45,184
Charges for Services	112,000	112,000	159,613	47,613
Intergovernmental	4,512,342	4,512,342	3,903,089	(609,253)
Other	43,937	41,520	53,703	12,183
Total Revenue	<u>5,279,279</u>	<u>5,276,862</u>	<u>4,772,589</u>	<u>(504,273)</u>
Expenditures				
<i>Current:</i>				
Transportation				
Bus Transit System				
Personal Services	1,075,650	1,068,500	1,025,187	43,313
Fringe Benefits	499,400	506,550	488,948	17,602
Travel Transportation	506	551	551	0
Materials and Supplies	355,958	284,149	268,155	15,994
Contractual Services	599,584	598,959	589,610	9,349
Capital Outlay	2,025,653	4,285,653	3,489,080	796,573
Other	219,500	217,890	217,485	405
Debt Service	35,500	1,435,500	1,435,000	500
Total Transportation	<u>4,811,751</u>	<u>8,397,752</u>	<u>7,514,016</u>	<u>883,736</u>
Total Expenditures	<u>4,811,751</u>	<u>8,397,752</u>	<u>7,514,016</u>	<u>883,736</u>
Excess of Revenues (Under) Expenditures	467,528	(3,120,890)	(2,741,427)	379,463
Other Financing Sources (Uses)				
Issuance of Notes	0	1,400,000	1,400,000	0
Proceeds from Sale of Capital Assets	0	0	4	4
Transfers-Out	(22,300)	(22,300)	(19,811)	2,489
Total Other Sources (Uses)	<u>(22,300)</u>	<u>1,377,700</u>	<u>1,380,193</u>	<u>2,493</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	445,228	(1,743,190)	(1,361,234)	381,956
Fund Balances at Beginning of Year	1,432,610	1,432,610	1,432,610	0
Prior Year Encumbrances Appropriated	<u>311,282</u>	<u>311,282</u>	<u>311,282</u>	<u>0</u>
Fund Balances at End of Year	<u>\$2,189,120</u>	<u>\$702</u>	<u>\$382,658</u>	<u>\$381,956</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$935,000	\$935,000	\$941,243	\$6,243
Miscellaneous	10,395	8,700	12,375	3,675
Total Revenue	<u>945,395</u>	<u>943,700</u>	<u>953,618</u>	<u>9,918</u>
Expenditures				
<i>Current:</i>				
Transportation				
Street Maintenance & Repair				
Personal Services	571,950	588,759	588,184	575
Fringe Benefits	305,600	323,791	318,721	5,070
Travel Transportation	100	100	0	100
Materials and Supplies	285,386	349,263	264,329	84,934
Contractual Services	87,000	66,700	65,281	1,419
Capital Outlay	1,013,500	1,022,475	1,016,895	5,580
Other	5,850	6,030	2,481	3,549
Debt Service	243,613	1,243,613	1,242,858	755
Total Transportation	<u>2,512,999</u>	<u>3,600,731</u>	<u>3,498,749</u>	<u>101,982</u>
Total Expenditures	<u>2,512,999</u>	<u>3,600,731</u>	<u>3,498,749</u>	<u>101,982</u>
Excess of Revenues (Under) Expenditures	(1,567,604)	(2,657,031)	(2,545,131)	111,900
Other Financing Sources				
Issuance of Notes	0	1,000,000	1,000,000	0
Transfers-In	461,100	504,675	504,675	0
Total Other Sources	<u>461,100</u>	<u>1,504,675</u>	<u>1,504,675</u>	<u>0</u>
Excess of Revenues and Other Sources (Under) Expenditures	(1,106,504)	(1,152,356)	(1,040,456)	111,900
Fund Balances at Beginning of Year	118,159	118,159	118,159	0
Prior Year Encumbrances Appropriated	<u>1,036,761</u>	<u>1,036,761</u>	<u>1,036,761</u>	<u>0</u>
Fund Balances at End of Year	<u>\$48,416</u>	<u>\$2,564</u>	<u>\$114,464</u>	<u>\$111,900</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$76,000	\$76,000	\$78,796	\$2,796
Miscellaneous	1,478	1,020	1,109	89
Total Revenue	<u>77,478</u>	<u>77,020</u>	<u>79,905</u>	<u>2,885</u>
Expenditures				
<i>Current:</i>				
Transportation				
State Highway Maintenance & Repair				
Personal Services	57,400	77,290	65,609	11,681
Fringe Benefits	36,032	40,806	36,638	4,168
Total Transportation	<u>93,432</u>	<u>118,096</u>	<u>102,247</u>	<u>15,849</u>
Total Expenditures	<u>93,432</u>	<u>118,096</u>	<u>102,247</u>	<u>15,849</u>
Excess of Revenues Over (Under) Expenditures	(15,954)	(41,076)	(22,342)	18,734
Fund Balances at Beginning of Year	<u>43,437</u>	<u>43,437</u>	<u>43,437</u>	<u>0</u>
Fund Balances at End of Year	<u>\$27,483</u>	<u>\$2,361</u>	<u>\$21,095</u>	<u>\$18,734</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$457,500	\$470,000	\$490,935	\$20,935
Charges for Services	32,000	32,000	44,424	12,424
Other	19,553	18,850	13,073	(5,777)
Total Revenue	509,053	520,850	548,432	27,582
Expenditures				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	422,918	427,418	405,798	21,620
Fringe Benefits	268,375	263,875	234,880	28,995
Travel Transportation	1,200	821	661	160
Materials and Supplies	148,475	155,617	108,641	46,976
Contractual Services	5,362	5,362	4,350	1,012
Capital Outlay	3,383	3,383	3,383	0
Other	19,360	15,447	8,553	6,894
Total Leisure Time Activities	869,073	871,923	766,266	105,657
Total Expenditures	869,073	871,923	766,266	105,657
Excess of Revenues (Under) Expenditures	(360,020)	(351,073)	(217,834)	133,239
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	489	489
Transfers-In	260,500	260,500	259,752	(748)
Transfers-Out	(800)	(800)	(768)	32
Total Other Sources (Uses)	259,700	259,700	259,473	(227)
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(100,320)	(91,373)	41,639	133,012
Fund Balances at Beginning of Year	101,255	101,255	101,255	0
Fund Balances at End of Year	\$935	\$9,882	\$142,894	\$133,012

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,502,511	\$1,905,991	\$1,377,870	(\$528,121)
Investment Earnings	0	0	29	29
Total Revenue	<u>1,502,511</u>	<u>1,905,991</u>	<u>1,377,899</u>	<u>(528,092)</u>
Expenditures				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Materials and Supplies	846,900	872,579	534,907	337,672
Contractual Services	510,000	1,088,551	863,615	224,936
Total Community Environment	<u>1,356,900</u>	<u>1,961,130</u>	<u>1,398,522</u>	<u>562,608</u>
Total Expenditures	<u>1,356,900</u>	<u>1,961,130</u>	<u>1,398,522</u>	<u>562,608</u>
Excess of Revenues (Under) Expenditures	145,611	(55,139)	(20,623)	34,516
Fund Balances at Beginning of Year	59,211	59,211	59,211	0
Prior Year Encumbrances Appropriated	633	633	633	0
Fund Balances at End of Year	<u>\$205,455</u>	<u>\$4,705</u>	<u>\$39,221</u>	<u>\$34,516</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	<u>\$335,285</u>	<u>\$565,220</u>	<u>\$325,289</u>	<u>\$239,931</u>
Total Revenue	<u>335,285</u>	<u>565,220</u>	<u>325,289</u>	<u>(239,931)</u>
Expenditures				
<i>Current:</i>				
Community Environment				
State Grants				
Travel	0	4,600	4,273	327
Materials and Supplies	0	5,175	4,577	598
Contractual Services	57,422	10,100	7,295	2,805
Other	0	61,022	48,708	12,314
Total Community Environment	<u>57,422</u>	<u>80,897</u>	<u>64,853</u>	<u>16,044</u>
Total Expenditures	<u>57,422</u>	<u>80,897</u>	<u>64,853</u>	<u>16,044</u>
Excess of Revenues Over Expenditures	277,863	484,323	260,436	(223,887)
Other Financing (Uses)				
Transfers-Out	<u>(277,863)</u>	<u>(484,323)</u>	<u>(218,524)</u>	<u>265,799</u>
Total Other (Uses)	<u>(277,863)</u>	<u>(484,323)</u>	<u>(218,524)</u>	<u>265,799</u>
Excess of Revenues Over Expenditures and Other Uses	0	0	41,912	41,912
Fund Balances at Beginning of Year	<u>75,289</u>	<u>75,289</u>	<u>75,289</u>	<u>0</u>
Fund Balances at End of Year	<u>\$75,289</u>	<u>\$75,289</u>	<u>\$117,201</u>	<u>\$41,912</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	0	0	8,135	8,135
Total Revenue	0	0	8,135	8,135
Expenditures				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Materials and Supplies	24,400	43,948	38,039	5,909
Capital Outlay	25,592	35,675	26,012	9,663
Other	300	300	167	133
Total Community Environment	50,292	79,923	64,218	15,705
Total Expenditures	50,292	79,923	64,218	15,705
Excess of Revenues (Under) Expenditures	(50,292)	(79,923)	(56,083)	23,840
Other Financing Sources				
Transfers-In	60,000	60,000	60,000	0
Transfers-Out	(10,500)	(29,087)	(28,339)	748
Total Other Sources	49,500	30,913	31,661	748
Excess of Revenues and Other Sources Over Expenditures	(792)	(49,010)	(24,422)	24,588
Fund Balances at Beginning of Year	63,790	63,790	63,790	0
Prior Year Encumbrances Appropriated	592	592	592	0
Fund Balances at End of Year	<u>\$63,590</u>	<u>\$15,372</u>	<u>\$39,960</u>	<u>\$24,588</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$0	\$0	\$224,256	\$224,256
Total Revenue	0	0	224,256	224,256
Expenditures				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	325,000	400,000	348,995	51,005
Total General Government	325,000	400,000	348,995	51,005
Total Expenditures	325,000	400,000	348,995	51,005
Excess of Revenues Over (Under) Expenditures	(325,000)	(400,000)	(124,739)	275,261
Other Financing Sources (Uses)				
Transfers-In	325,000	400,000	325,000	(75,000)
Advances-In	0	82,850	82,850	0
Transfers-Out	(500,000)	(575,000)	(575,000)	0
Total Other Sources (Uses)	(175,000)	(92,150)	(167,150)	(75,000)
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(500,000)	(492,150)	(291,889)	200,261
Fund Balances at Beginning of Year	635,623	635,623	635,623	0
Fund Balances at End of Year	\$135,623	\$143,473	\$343,734	\$200,261

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$60,044</u>	<u>\$40,044</u>
Total Revenue	<u>20,000</u>	<u>20,000</u>	<u>60,044</u>	<u>40,044</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education				
Materials and Supplies	0	100,000	91,907	8,093
Other	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Security of Persons and Property	<u>10,000</u>	<u>110,000</u>	<u>101,907</u>	<u>8,093</u>
Total Expenditures	<u>10,000</u>	<u>110,000</u>	<u>101,907</u>	<u>8,093</u>
Excess of Revenues Over (Under) Expenditures	10,000	(90,000)	(41,863)	48,137
Fund Balances at Beginning of Year	<u>119,934</u>	<u>119,934</u>	<u>119,934</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$129,934</u></u>	<u><u>\$29,934</u></u>	<u><u>\$78,071</u></u>	<u><u>\$48,137</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	<u>\$16,000</u>	<u>\$16,000</u>	<u>\$29,548</u>	<u>\$13,548</u>
Total Revenue	<u>16,000</u>	<u>16,000</u>	<u>29,548</u>	<u>13,548</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Alcohol Treatment				
Contractual Services	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess of Revenues Over Expenditures	11,000	11,000	29,548	18,548
Fund Balances at Beginning of Year	<u>214,432</u>	<u>214,432</u>	<u>214,432</u>	<u>0</u>
Fund Balances at End of Year	<u>\$225,432</u>	<u>\$225,432</u>	<u>\$243,980</u>	<u>\$18,548</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$2,250</u>	<u>(\$2,750)</u>
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>2,250</u>	<u>(2,750)</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	<u>10,000</u>	<u>10,000</u>	<u>7,402</u>	<u>2,598</u>
Total Security of Persons and Property	<u>10,000</u>	<u>10,000</u>	<u>7,402</u>	<u>2,598</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,402</u>	<u>2,598</u>
Excess of Revenues (Under) Expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,152)</u>	<u>(152)</u>
Fund Balances at Beginning of Year	<u>5,518</u>	<u>5,518</u>	<u>5,518</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$518</u></u>	<u><u>\$518</u></u>	<u><u>\$366</u></u>	<u><u>(\$152)</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$3,791</u>	<u>(\$209)</u>
Total Revenue	<u>4,000</u>	<u>4,000</u>	<u>3,791</u>	<u>(209)</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>3,791</u>	<u>4,791</u>
Fund Balances at Beginning of Year	<u>50,937</u>	<u>50,937</u>	<u>50,937</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$49,937</u></u>	<u><u>\$49,937</u></u>	<u><u>\$54,728</u></u>	<u><u>\$4,791</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$38,500	\$38,500	\$33,041	(\$5,459)
Miscellaneous	1,494	945	10,081	9,136
Total Revenue	<u>39,994</u>	<u>39,445</u>	<u>43,122</u>	<u>3,677</u>
Expenditures				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	87,100	105,213	98,083	7,130
Fringe Benefits	46,914	40,176	36,411	3,765
Travel Transportation	200	200	73	127
Materials and Supplies	23,500	24,200	18,313	5,887
Contractual Services	1,800	1,300	126	1,174
Capital Outlay	74,975	74,975	70,444	4,531
Other	300	737	638	99
Total Transportation	<u>234,789</u>	<u>246,801</u>	<u>224,088</u>	<u>22,713</u>
Total Expenditures	<u>234,789</u>	<u>246,801</u>	<u>224,088</u>	<u>22,713</u>
Excess of Revenues (Under) Expenditures	(194,795)	(207,356)	(180,966)	26,390
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	500	500
Transfers-In	199,000	199,000	199,000	0
Transfers-Out	(500)	(500)	(319)	181
Total Other Sources (Uses)	<u>198,500</u>	<u>198,500</u>	<u>199,181</u>	<u>681</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	3,705	(8,856)	18,215	27,071
Fund Balances at Beginning of Year	32,569	32,569	32,569	0
Prior Year Encumbrances Appropriated	<u>974</u>	<u>974</u>	<u>974</u>	<u>0</u>
Fund Balances at End of Year	<u>\$37,248</u>	<u>\$24,687</u>	<u>\$51,758</u>	<u>\$27,071</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$110,000	\$113,091	\$110,759	(\$2,332)
Intergovernmental	31,000	31,000	42,975	11,975
Other	0	0	0	0
Total Revenue	<u>141,000</u>	<u>144,091</u>	<u>153,734</u>	<u>9,643</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	500,000	500,000	499,733	267
Other	3,300	3,300	2,536	764
Debt Service	9,400	9,400	9,344	56
Total Security of Persons & Property	<u>512,700</u>	<u>512,700</u>	<u>511,613</u>	<u>1,087</u>
Total Expenditures	<u>512,700</u>	<u>512,700</u>	<u>511,613</u>	<u>1,087</u>
Excess of Revenues (Under) Expenditures	(371,700)	(368,609)	(357,879)	10,730
Other Financing Sources				
Transfers-In	<u>500,000</u>	<u>500,000</u>	<u>360,000</u>	<u>(140,000)</u>
Total Other Sources	<u>500,000</u>	<u>500,000</u>	<u>360,000</u>	<u>(140,000)</u>
Excess of Revenues and Other Sources Over Expenditures	128,300	131,391	2,121	(129,270)
Fund Balances at Beginning of Year	<u>1,794</u>	<u>1,794</u>	<u>1,794</u>	<u>0</u>
Fund Balances at End of Year	<u>\$130,094</u>	<u>\$133,185</u>	<u>\$3,915</u>	<u>(\$129,270)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$110,000	\$113,091	\$110,759	(\$2,332)
Intergovernmental	31,000	31,000	42,975	11,975
Charges for Services	1,000	1,000	0	(1,000)
Other	0	0	0	0
Total Revenue	142,000	145,091	153,734	8,643
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	600,000	646,000	643,850	2,150
Other	3,300	3,300	2,536	764
Debt Service	34,900	34,900	34,600	300
Total Security of Persons & Property	638,200	684,200	680,986	3,214
Total Expenditures	638,200	684,200	680,986	3,214
Excess of Revenues (Under) Expenditures	(496,200)	(539,109)	(527,252)	11,857
Other Financing Sources				
Transfers-In	600,000	600,000	530,000	(70,000)
Total Other Sources	600,000	600,000	530,000	(70,000)
Excess of Revenues and Other Sources Over (Under) Expenditures	103,800	60,891	2,748	(58,143)
Fund Balances at Beginning of Year	451	451	451	0
Fund Balances at End of Year	<u>\$104,251</u>	<u>\$61,342</u>	<u>\$3,199</u>	<u>(\$58,143)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
<i>Debt Service:</i>				
Principal Retirement	250,000	250,000	250,000	0
Interest and Fiscal Charges	<u>20,000</u>	<u>20,000</u>	<u>19,584</u>	<u>416</u>
Total Debt Service	<u>270,000</u>	<u>270,000</u>	<u>269,584</u>	<u>416</u>
Total Expenditures	<u>270,000</u>	<u>270,000</u>	<u>269,584</u>	<u>416</u>
Excess of Revenues (Under) Expenditures	(270,000)	(270,000)	(269,584)	416
Other Financing Sources				
Transfers-In	<u>270,000</u>	<u>270,000</u>	<u>269,850</u>	<u>(150)</u>
Total Other Sources	<u>270,000</u>	<u>270,000</u>	<u>269,850</u>	<u>(150)</u>
Excess of Revenues and Other Sources Over Expenditures	0	0	266	266
Fund Balances at Beginning of Year	<u>16,326</u>	<u>16,326</u>	<u>16,326</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$16,326</u></u>	<u><u>\$16,326</u></u>	<u><u>\$16,592</u></u>	<u><u>\$266</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$240,570	\$570,570	\$483,597	(\$86,973)
Total Revenue	240,570	570,570	483,597	(86,973)
Expenditures				
<i>Capital Outlay</i>				
Capital Outlay	240,570	570,570	483,597	86,973
Total Capital Outlay	240,570	570,570	483,597	86,973
Total Expenditures	240,570	570,570	483,597	86,973
Excess of Revenues Over Expenditures	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$611,000	\$611,000	\$656,184	\$45,184
Intergovernmental	0	0	0	0
Miscellaneous	0	0	5,211	5,211
Total Revenue	<u>611,000</u>	<u>611,000</u>	<u>661,395</u>	<u>50,395</u>
Expenditures				
Capital Outlay				
Materials & Supplies	0	23,839	14,077	9,762
Capital Outlay	372,624	539,630	537,349	2,281
Other	2,500	2,500	1,907	593
Debt Service	<u>212,000</u>	<u>412,000</u>	<u>411,600</u>	<u>400</u>
Total Capital Outlay	<u>587,124</u>	<u>977,969</u>	<u>964,933</u>	<u>13,036</u>
Total Expenditures	<u>587,124</u>	<u>977,969</u>	<u>964,933</u>	<u>13,036</u>
Excess of Revenues Over (Under) Expenditures	23,876	(366,969)	(303,538)	63,431
Other Financing Sources (Uses)				
Issuance of Notes	0	200,000	200,000	0
Transfers-Out	<u>(218,750)</u>	<u>(218,750)</u>	<u>(216,351)</u>	<u>2,399</u>
Total Other Sources (Uses)	<u>(218,750)</u>	<u>(18,750)</u>	<u>(16,351)</u>	<u>2,399</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(194,874)	(385,719)	(319,889)	65,830
Fund Balances at Beginning of Year	362,198	362,198	362,198	0
Prior Year Encumbrances Appropriated	<u>95,868</u>	<u>95,868</u>	<u>95,868</u>	<u>0</u>
Fund Balances at End of Year	<u>\$263,192</u>	<u>\$72,347</u>	<u>\$138,177</u>	<u>\$65,830</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay				
Capital Outlay	<u>45,000</u>	<u>95,000</u>	<u>72,838</u>	<u>22,162</u>
Total Capital Outlay	<u>45,000</u>	<u>95,000</u>	<u>72,838</u>	<u>22,162</u>
Total Expenditures	<u>45,000</u>	<u>95,000</u>	<u>72,838</u>	<u>22,162</u>
Excess of Revenues (Under) Expenditures	(45,000)	(95,000)	(72,838)	22,162
Other Financing Sources				
Transfers-In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Other Sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess of Revenues and Other Sources (Under) Expenditures	5,000	(45,000)	(22,838)	22,162
Fund Balances at Beginning of Year	24,875	24,875	24,875	0
Prior Year Encumbrances Appropriated	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Fund Balances at End of Year	<u>\$69,875</u>	<u>\$19,875</u>	<u>\$42,037</u>	<u>\$22,162</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$152,500	\$156,666	\$163,783	\$7,117
Intergovernmental	1,052,516	1,052,516	87,321	(965,195)
Miscellaneous	131,800	131,800	16,128	(115,672)
Total Revenue	<u>1,336,816</u>	<u>1,340,982</u>	<u>267,232</u>	<u>(1,073,750)</u>
Expenditures				
Capital Outlay				
Materials and Supplies	9,500	9,500	8,238	1,262
Capital Outlay	<u>1,133,922</u>	<u>1,188,318</u>	<u>171,198</u>	<u>1,017,120</u>
Total Capital Outlay	<u>1,143,422</u>	<u>1,197,818</u>	<u>179,436</u>	<u>1,018,382</u>
Total Expenditures	<u>1,143,422</u>	<u>1,197,818</u>	<u>179,436</u>	<u>1,018,382</u>
Excess of Revenues (Under) Expenditures	193,394	143,164	87,796	(55,368)
Other Financing Sources (Uses)				
Transfers-Out	(22,000)	(22,000)	(19,601)	2,399
Advances-Out	<u>(82,850)</u>	<u>(82,850)</u>	<u>(82,850)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(104,850)</u>	<u>(104,850)</u>	<u>(102,451)</u>	<u>2,399</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	88,544	38,314	(14,655)	(52,969)
Fund Balances at Beginning of Year	60,319	60,319	60,319	0
Prior Year Encumbrances Appropriated	<u>85,287</u>	<u>85,287</u>	<u>85,287</u>	<u>0</u>
Fund Balances at End of Year	<u>\$234,150</u>	<u>\$183,920</u>	<u>\$130,951</u>	<u>(\$52,969)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay				
Capital Outlay	<u>20,940</u>	<u>20,940</u>	<u>19,861</u>	<u>1,079</u>
Total Capital Outlay	<u>20,940</u>	<u>20,940</u>	<u>19,861</u>	<u>1,079</u>
Total Expenditures	<u>20,940</u>	<u>20,940</u>	<u>19,861</u>	<u>1,079</u>
Excess of Revenues (Under) Expenditures	(20,940)	(20,940)	(19,861)	1,079
Fund Balances at Beginning of Year	12,415	12,415	12,415	0
Prior Year Encumbrances Appropriated	<u>10,940</u>	<u>10,940</u>	<u>10,940</u>	<u>0</u>
Fund Balances at End of Year	<u>\$2,415</u>	<u>\$2,415</u>	<u>\$3,494</u>	<u>\$1,079</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	<u>\$20</u>	<u>\$20</u>	<u>\$40</u>	<u>\$20</u>
Total Revenue	<u>20</u>	<u>20</u>	<u>40</u>	<u>20</u>
Expenditures				
<i>Current:</i>				
Community Environment				
Other	<u>1,200</u>	<u>1,200</u>	<u>0</u>	<u>1,200</u>
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>0</u>	<u>1,200</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,180)</u>	<u>(1,180)</u>	<u>40</u>	<u>1,220</u>
Fund Balances at Beginning of Year	<u>3,147</u>	<u>3,147</u>	<u>3,147</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$1,967</u></u>	<u><u>\$1,967</u></u>	<u><u>\$3,187</u></u>	<u><u>\$1,220</u></u>

CITY OF CHILLICOTHE, OHIO

ENTERPRISE FUNDS

Enterprise funds are used to account for operations of the City that provide goods and services to the general public in a manner similar to private business enterprises. The cost of providing these goods or services are financed through user charges.

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,575,000	\$4,575,000	\$4,371,212	(\$203,788)
Other Operating Revenue	25,487	18,150	75,899	57,749
Total Revenue	<u>4,600,487</u>	<u>4,593,150</u>	<u>4,447,111</u>	<u>(146,039)</u>
Expenses				
<i>Current:</i>				
Personal Services	1,071,050	1,184,539	1,184,539	0
Fringe Benefits	638,950	704,061	703,654	407
Travel Transportation	600	764	164	600
Contractual Services	253,758	202,248	119,388	82,860
Materials and Supplies	802,080	817,242	688,602	128,640
Other Operating Expenses	551,630	582,407	574,681	7,726
Capital Outlay	744,579	1,054,389	396,554	657,835
<i>Debt Service:</i>				
Principal Retirement	1,010,000	1,010,000	1,010,000	0
Interest and Fiscal Charges	270,000	270,000	266,818	3,182
Total Expenditures	<u>5,342,647</u>	<u>5,825,650</u>	<u>4,944,400</u>	<u>881,250</u>
Excess of Revenues (Under) Expenditures	(742,160)	(1,232,500)	(497,289)	735,211
Other Financing Sources (Uses)				
Interest	30,000	30,000	16	(29,984)
Proceeds from Sale of Capital Assets	0	0	14	14
Transfers-In	0	0	9,293	9,293
Transfers-Out	(6,255)	(6,255)	(4,382)	1,873
Total Other Sources (Uses)	<u>23,745</u>	<u>23,745</u>	<u>4,941</u>	<u>(18,804)</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(718,415)	(1,208,755)	(492,348)	716,407
Fund Equity at Beginning of Year	5,005,464	5,005,464	5,005,464	0
Prior Year Encumbrances Appropriated	<u>45,663</u>	<u>45,663</u>	<u>45,663</u>	<u>0</u>
Fund Equity at End of Year	<u>\$4,332,712</u>	<u>\$3,842,372</u>	<u>\$4,558,779</u>	<u>\$716,407</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,206,000	\$3,206,000	\$3,083,748	(\$122,252)
Other Operating Revenues	19,327	16,110	26,495	10,385
Total Revenue	<u>3,225,327</u>	<u>3,222,110</u>	<u>3,110,243</u>	<u>(111,867)</u>
Expenses				
<i>Current:</i>				
Personal Services	937,800	1,084,313	1,079,644	4,669
Fringe Benefits	553,000	609,957	595,123	14,834
Travel Transportation	600	600	70	530
Contractual Services	139,500	179,474	94,931	84,543
Materials and Supplies	417,967	414,390	345,198	69,192
Other Operating Expenses	386,288	391,788	382,748	9,040
Capital Outlay	602,971	744,314	493,661	250,653
<i>Debt Service:</i>				
Principal Retirement	61,000	61,000	60,406	594
Interest and Fiscal Charges	90,000	90,000	90,000	0
Total Expenses	<u>3,189,126</u>	<u>3,575,836</u>	<u>3,141,781</u>	<u>434,055</u>
Excess of Revenues Over (Under) Expenditures	36,201	(353,726)	(31,538)	322,188
Other Financing Sources (Uses)				
Interest	6,600	6,600	0	(6,600)
Proceeds from Sale of Capital Assets	0	0	14	14
Transfers-In	30,000	30,000	39,294	9,294
Transfers-Out	(6,300)	(6,300)	(4,415)	1,885
Total Other Sources (Uses)	<u>30,300</u>	<u>30,300</u>	<u>34,893</u>	<u>4,593</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	66,501	(323,426)	3,355	326,781
Fund Equity at Beginning of Year	3,707,814	3,707,814	3,707,814	0
Prior Year Encumbrances Appropriated	<u>17,037</u>	<u>17,037</u>	<u>17,037</u>	<u>0</u>
Fund Equity at End of Year	<u>\$3,791,352</u>	<u>\$3,401,425</u>	<u>\$3,728,206</u>	<u>\$326,781</u>

CITY OF CHILLICOTHE, OHIO

FIDUCIARY FUNDS PRIVATE PURPOSE TRUST FUND

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

Unclaimed Monies Fund

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

AGENCY FUNDS

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

Court Agency Fund

To account for the collection and distribution of court fines and forfeitures through the Municipal Court.

Deposits Agency Fund

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$10,000	\$10,000	\$24,570	\$14,570
Total Revenue	10,000	10,000	24,570	14,570
Expenditures				
<i>Current:</i>				
General Government				
Unclaimed Monies				
Other	1,000	2,000	1,357	643
Total General Government	1,000	2,000	1,357	643
Total Expenditures	1,000	2,000	1,357	643
Excess of Revenues Over Expenditures	9,000	8,000	23,213	15,213
Other Financing (Uses)				
Transfers-Out	(10,000)	(10,000)	(9,766)	234
Total Other Financing (Uses)	(10,000)	(10,000)	(9,766)	234
Excess of Revenues (Under) Expenditures and Other Financing Uses	(1,000)	(2,000)	13,447	15,447
Fund Balances at Beginning of Year	24,927	24,927	24,927	0
Fund Balances at End of Year	\$23,927	\$22,927	\$38,374	\$15,447

City of Chillicothe, Ohio

Statement of Changes in Assets & Liabilities
Agency Funds

For the Year Ended December 31, 2009

	Balance 1/1/2009	Additions	Reductions	Balance 12/31/2009
Deposits Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$30,454	\$1,787	\$1,708	\$30,533
<i>Total Assets</i>	<u>\$30,454</u>	<u>\$1,787</u>	<u>\$1,708</u>	<u>\$30,533</u>
Liabilities				
Deposits Held and Due to Others	\$30,454	\$1,787	\$1,708	\$30,533
<i>Total Liabilities</i>	<u>\$30,454</u>	<u>\$1,787</u>	<u>\$1,708</u>	<u>\$30,533</u>
Municipal Court Agency				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$298,010	\$1,891,587	\$1,920,027	\$269,570
<i>Total Assets</i>	<u>\$298,010</u>	<u>\$1,891,587</u>	<u>\$1,920,027</u>	<u>\$269,570</u>
Liabilities				
Intergovernmental Payable	\$50,548	\$862,332	\$852,796	\$60,084
Undistributed Monies	245,575	288,235	327,204	206,606
Deposits Held and Due to Others	1,887	741,020	740,027	2,880
<i>Total Liabilities</i>	<u>\$298,010</u>	<u>\$1,891,587</u>	<u>\$1,920,027</u>	<u>\$269,570</u>
Total Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$30,454	\$1,787	\$1,708	\$30,533
Cash and Cash Equivalents in Segregated Accounts	298,010	1,891,587	1,920,027	269,570
<i>Total Assets</i>	<u>\$328,464</u>	<u>\$1,893,374</u>	<u>\$1,921,735</u>	<u>\$300,103</u>
Liabilities				
Intergovernmental Payable	\$50,548	\$862,332	\$852,796	\$60,084
Undistributed Monies	245,575	288,235	327,204	206,606
Deposits Held and Due to Others	32,341	742,807	741,735	33,413
<i>Total Liabilities</i>	<u>\$328,464</u>	<u>\$1,893,374</u>	<u>\$1,921,735</u>	<u>\$300,103</u>

Statistical Section

This part of the City's Comprehensive Annual Financial Report represents 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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Financial Trends

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

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Revenue Capacity

These schedules contain information to help the reader understand and access the factors affecting the City's ability to generate its most significant local revenue source, the property tax.

123-127

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

128-133

Economic and Demographic Information

This schedule offers 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.

134-135

Operating Information

These schedules contain service 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.

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Sources: 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 fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

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CITY OF CHILLICOTHE, OHIO
NET ASSETS BY COMPONENT
LAST EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$48,771,086	\$47,457,882	\$44,886,857	\$43,667,909	\$42,148,445	\$39,625,809	\$39,182,366	\$39,109,104
Restricted:								
Debt Service	104,236	62,044	0	0	0	0	0	13,507
Capital Projects	769,089	697,867	781,247	852,087	860,236	749,643	1,007,274	321,193
Permanent Fund:								
Expendable	1,927	1,967	1,987	2,027	2,067	2,107	2,147	2,187
Nonexpendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Street Construction, Maintenance and Repair	0	0	0	0	241,458	500,525	402,192	321,959
Bus Transit	0	0	0	398,195	537,217	210,363	319,668	2,465,846
Housing and Urban Development Program	0	0	0	353,292	564,022	355,957	602,453	1,234,949
Other Purposes	2,405,852	2,586,624	3,613,428	1,025,505	1,194,703	1,896,031	1,801,592	1,216,833
Unrestricted	163,231	(924,831)	241,677	1,001,156	1,666,778	1,050,438	1,105,720	686,586
Total Governmental Activities Net Assets	\$52,216,421	\$49,882,553	\$49,526,196	\$47,301,171	\$47,215,926	\$44,391,873	\$44,424,412	\$45,373,164
Business Type - Activities								
Invested in Capital Assets, Net of Related Debt	\$25,822,287	\$25,500,895	\$28,017,313	\$28,629,701	\$29,514,918	\$30,375,860	\$31,628,281	\$32,021,986
Restricted:								
Debt Service	1,818,776	1,655,677	1,949,546	2,008,181	1,784,142	1,902,831	1,652,563	1,694,714
Capital Projects	3,603,889	3,138,244	3,089,391	1,817,822	1,712,772	1,818,467	1,818,467	1,818,467
Unrestricted	5,490,947	6,026,541	4,775,818	5,867,063	5,964,273	6,045,463	5,481,570	5,094,530
Total Business-Type Activities Net Assets	\$36,735,899	\$36,321,357	\$37,832,068	\$38,322,767	\$38,976,105	\$40,142,621	\$40,580,881	\$40,629,697
Primary Government								
Invested in Capital Assets, Net of Related Debt	\$74,593,373	\$72,958,777	\$72,904,170	\$72,297,610	\$71,663,363	\$70,001,669	\$70,810,647	\$71,131,090
Restricted	8,704,769	8,143,423	9,436,599	6,458,109	6,897,617	7,436,924	7,607,356	9,090,655
Unrestricted	5,654,178	5,101,710	5,017,495	6,868,219	7,631,051	7,095,901	6,587,290	5,781,116
Total Primary Government Net Assets	\$88,952,320	\$86,203,910	\$87,358,264	\$85,623,938	\$86,192,031	\$84,534,494	\$85,005,293	\$86,002,861

CITY OF CHILLICOTHE, OHIO
CHANGES IN NET ASSETS
LAST EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009
Program Revenues								
Governmental Activities								
<i>Charges for Services:</i>								
General Government	\$5,388,871	\$4,015,529	\$4,057,530	\$2,531,302	\$1,314,164	\$1,503,926	\$1,682,510	\$2,155,542
Security of Persons and Property								
Police	43,522	48,889	78,159	46,768	59,875	54,079	356,516	96,135
Fire	1,947	476,130	694,253	702,281	923,551	936,958	960,872	1,112,873
Transportation	149,833	173,248	168,624	153,898	132,002	212,326	123,925	192,654
Basic Utility Services	991,314	1,028,969	977,912	984,951	1,002,555	1,135,399	989,259	1,004,003
Leisure Time Activities	92,938	71,030	64,266	65,876	75,608	100,105	136,601	103,915
Subtotal - Charges for Services	<u>6,668,425</u>	<u>5,813,795</u>	<u>6,040,744</u>	<u>4,485,076</u>	<u>3,507,755</u>	<u>3,942,793</u>	<u>4,249,683</u>	<u>4,665,122</u>
<i>Operating Grants and Contributions:</i>								
General Government	170,988	191,123	201,611	157,944	24,617	24,039	25,746	24,324
Security of Persons and Property								
Police	13,252	13,327	2,195	0	0	0	0	0
Fire	13,252	13,327	2,195	0	0	0	0	0
Transportation	1,581,417	1,780,686	2,336,828	1,843,493	3,217,282	2,722,949	2,391,097	3,387,055
Community Environment	492,323	878,746	676,010	156,795	719,748	629,112	583,111	1,971,841
Basic Utility Services	0	0	6,507	0	0	0	0	0
Leisure Time Activities	3,570	3,600	0	93,209	45,214	4,657	5,633	5,973
Subtotal - Operating Grants and Contributions	<u>2,274,802</u>	<u>2,880,809</u>	<u>3,225,346</u>	<u>2,251,441</u>	<u>4,006,861</u>	<u>3,380,757</u>	<u>3,005,587</u>	<u>5,389,193</u>
<i>Capital Grants and Contributions:</i>								
Police	0	0	0	0	0	0	6,297	0
Transportation	0	0	203,095	0	390,873	200,230	0	3,691,384
Community Environment	0	7,052	6,617	0	0	0	0	0
Basis Utility Services	0	0	350,000	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0	104,747	87,321
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>7,052</u>	<u>559,712</u>	<u>0</u>	<u>390,873</u>	<u>200,230</u>	<u>111,044</u>	<u>3,778,705</u>
Total Governmental Activities Program Revenues	8,943,227	8,701,656	9,825,802	6,736,517	7,905,489	7,523,780	7,366,314	13,833,020
Business-Type Activities								
<i>Charges for Services</i>								
Water	4,159,217	4,196,209	4,388,054	4,489,093	4,327,931	4,476,992	4,366,400	4,401,964
Sewer	2,878,379	2,869,864	3,015,484	3,072,422	3,133,368	3,467,668	3,227,754	3,155,672
<i>Capital Grants and Contributions:</i>								
Sewer	766,789	0	0	0	0	0	0	0
Total Business-Type Activities Program Revenues	7,804,385	7,066,073	7,403,538	7,561,515	7,461,299	7,944,660	7,594,154	7,557,636
Total Primary Government Program Revenues	\$16,747,612	\$15,767,729	\$17,229,340	\$14,298,032	\$15,366,788	\$15,468,440	\$14,960,468	\$21,390,656

continued

CITY OF CHILLICOTHE, OHIO
CHANGES IN NET ASSETS
LAST EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental Activities								
General Government	\$9,713,452	\$8,395,001	\$7,145,676	\$5,207,638	\$4,021,651	\$5,063,213	\$5,269,764	\$5,856,422
Security of Persons and Property:								
Police	4,729,681	5,373,841	5,229,724	4,576,143	4,895,745	5,693,551	5,406,935	5,616,398
Fire	4,284,912	3,847,891	3,679,628	4,233,574	4,751,817	4,567,222	5,206,800	5,370,049
Transportation	3,328,993	3,439,976	5,459,822	5,814,354	6,446,996	6,730,013	6,191,675	7,341,642
Community Environment	828,369	1,024,969	631,235	1,113,876	698,547	772,615	677,158	1,685,430
Basic Utility Services	880,834	936,233	939,088	792,471	1,006,902	1,064,347	934,806	874,302
Leisure Time Activities	1,020,679	1,039,855	1,008,825	1,070,174	1,040,184	1,089,656	927,550	520,058
Interest and Fiscal Charges	180,222	270,135	88,230	100,026	101,033	91,207	124,333	136,428
Total Governmental Activities Expenses	24,967,142	24,327,901	24,182,228	22,908,256	22,962,875	25,071,824	24,739,021	27,400,729
Business-Type Activities								
Water	3,890,453	4,464,827	3,523,388	3,952,924	3,722,375	4,134,872	4,169,380	4,400,088
Sewer	2,743,233	3,113,639	3,197,431	3,240,301	3,012,331	3,022,759	3,148,719	3,248,239
Total Business-Type Activities Expenses	6,633,686	7,578,466	6,720,819	7,193,225	6,734,706	7,157,631	7,318,099	7,648,327
Total Primary Government Program Expenses	31,600,828	31,906,367	30,903,047	30,101,481	29,697,581	32,229,455	32,057,120	35,049,056
Net (Expense)/Revenue								
Governmental Activities	(16,023,915)	(15,626,245)	(14,356,426)	(16,171,739)	(15,057,386)	(17,548,044)	(17,372,707)	(13,567,709)
Business-Type Activities	1,170,699	(512,393)	682,719	368,290	726,593	787,029	276,055	(90,691)
Total Primary Government Net Expense	(14,853,216)	(16,138,638)	(13,673,707)	(15,803,449)	(14,330,793)	(16,761,015)	(17,096,652)	(13,658,400)
General Revenues and Other Changes in Net Assets								
Governmental Activities								
<i>Taxes:</i>								
<i>Property and Other Local Taxes Levied for:</i>								
General Purposes	1,360,426	1,403,955	1,408,866	1,466,655	1,425,510	1,071,126	986,223	935,673
Police and Fire	0	0	0	0	0	255,262	236,293	221,814
<i>Municipal Income Taxes Levied for:</i>								
General Purposes	8,829,586	8,737,740	9,242,017	9,601,686	9,452,405	9,594,677	9,211,925	9,186,508
Transportation	0	0	0	0	0	0	669,926	668,288
Capital Outlay	731,201	677,601	778,748	687,951	691,474	810,292	836,963	836,331
Other Taxes	167,670	171,124	175,024	85,188	420,586	249,109	190,237	133,653
<i>Grants and Entitlements not Restricted to</i>								
Specific Programs	1,714,276	1,787,884	1,552,464	1,661,266	1,775,562	1,685,694	3,738,582	2,098,454
Investment Income	266,635	144,920	146,091	302,373	544,065	656,517	358,230	151,647
Miscellaneous	307,455	517,748	782,694	399,199	679,206	419,520	622,353	323,883
Special Assessments	5,709	0	0	0	0	0	0	0
Total Governmental Activities	13,382,958	13,440,972	14,085,904	14,204,318	14,988,808	14,742,197	16,850,732	14,556,251
Business-Type Activities								
Investment Income	10,721	44,224	19,397	61,635	127,267	112,221	36,975	16
Miscellaneous	119,847	2,474	307,333	38,714	73,434	249,060	105,659	99,701
Total Business-Type Activities Expenses	130,568	46,698	326,730	100,349	200,701	361,281	142,634	99,717
Total Primary Government General Revenues and Other Changes in Net Assets	13,513,526	13,487,670	14,412,634	14,304,667	15,189,509	15,103,478	16,993,366	14,655,968
Transfers								
Governmental Activities	(22,677)	(148,595)	(22,029)	(22,060)	(16,667)	(18,206)	(19,571)	(39,790)
Business-Type Activities	22,677	148,595	22,029	22,060	16,667	18,206	19,571	39,790
Change in Net Assets								
Governmental Activities	(2,663,634)	(2,333,868)	(292,551)	(1,989,481)	(85,245)	(2,824,053)	(541,546)	948,752
Business-Type Activities	1,323,944	(317,100)	1,031,478	490,699	943,961	1,166,516	438,260	48,816
Total Primary Government Change in Net Assets	(\$1,339,690)	(\$2,650,968)	\$738,927	(\$1,498,782)	\$858,716	(\$1,657,537)	(\$103,286)	\$997,568

CITY OF CHILLICOTHE, OHIO
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$166,329	\$79,720	\$55,586	\$11,247	\$20,601	\$234,274	\$200,693	\$217,361	\$112,003	\$141,640
Unreserved	4,099,131	4,475,366	3,471,774	2,816,514	3,056,578	3,460,144	3,801,025	3,274,545	4,463,107	2,232,978
Total General Fund	4,265,460	4,555,086	3,527,360	2,827,761	3,077,179	3,694,418	4,001,718	3,491,906	4,575,110	2,374,618
All Other Governmental Funds										
Reserved	522,645	340,879	190,008	401,296	499,208	696,053	768,321	243,570	1,595,859	443,926
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,485,493	1,809,394	2,371,259	1,863,049	1,059,228	971,065	1,701,632	2,138,285	581,784	865,429
Debt Service Funds	92,536	99,783	104,236	66,044	12,150	12,669	13,085	15,950	16,325	16,591
Capital Projects Funds	723,786	716,408	751,585	466,840	752,059	484,927	810,503	528,189	572,514	97,329
Permanent Funds	3,810	2,887	2,927	1,967	1,987	2,027	2,067	2,107	2,147	2,187
Total All Other Governmental Funds	2,828,270	2,969,351	3,420,015	2,799,196	2,324,632	2,166,741	3,295,608	2,928,101	2,768,629	1,425,462
Total Governmental Funds	\$7,093,730	\$7,524,437	\$6,947,375	\$5,626,957	\$5,401,811	\$5,861,159	\$7,297,326	\$6,420,007	\$7,343,739	\$3,800,080

CITY OF CHILLICOTHE, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Property Taxes	\$1,462,864	\$1,495,125	\$1,338,358	\$1,398,276	\$1,403,530	\$1,471,716	\$1,430,536	\$1,326,120	\$1,215,794	\$1,153,839
Municipal Income Taxes	9,220,838	9,555,524	9,560,787	9,415,341	10,020,765	10,209,835	10,075,395	10,473,453	10,718,814	10,691,127
Other Taxes	0	0	167,670	171,124	175,024	164,990	420,586	249,109	190,237	133,653
Charges for Services	1,646,356	1,715,355	2,211,337	2,732,346	2,878,583	2,928,451	2,135,699	2,386,542	2,212,147	2,415,065
Fines, Licenses and Permits	1,503,614	1,600,285	4,451,859	3,077,953	3,153,361	3,313,382	1,372,056	1,556,251	2,003,958	2,232,953
Intergovernmental	3,808,469	4,033,644	4,357,747	4,210,207	5,332,461	4,279,833	5,685,333	5,439,441	6,625,215	9,847,621
Special Assessments	123,662	12,628	3,689	3,430	5,222	7,871	5,017	19,934	21,631	17,104
Investment Earnings	948,055	690,107	266,635	144,920	146,091	302,373	544,065	656,517	358,230	151,647
Miscellaneous	674,489	407,108	308,983	564,002	837,783	526,713	733,004	431,371	653,732	354,180
Total Revenues	19,388,347	19,509,776	22,667,065	21,717,599	23,952,820	23,205,164	22,401,691	22,538,738	23,999,758	26,997,189
Expenditures										
<i>Current:</i>										
General Government	4,852,165	5,186,334	8,253,668	7,393,976	7,151,308	7,225,043	4,629,603	5,005,119	5,149,587	6,715,055
Security of Persons and Property:										
Police	7,749,666	7,863,743	4,466,763	4,521,095	4,702,257	4,159,841	4,535,032	5,013,183	5,198,129	5,724,315
Fire	0	0	4,009,416	4,190,877	4,291,686	4,134,698	4,182,352	4,563,369	4,687,957	4,880,108
Transportation	3,144,877	3,021,633	3,336,160	3,439,101	4,324,254	3,759,348	4,306,075	4,643,236	4,688,758	8,567,602
Community Environment	601,779	433,672	533,551	701,489	388,920	791,855	382,103	489,853	352,345	1,370,904
Basic Utilities Services	1,018,359	1,038,420	893,911	890,736	916,882	806,492	1,009,378	1,069,275	946,803	880,792
Leisure Time Activities	708,576	730,341	771,929	822,761	830,216	776,363	788,703	900,563	866,912	936,905
Capital Outlay	602,319	508,306	616,504	525,325	1,210,634	646,646	1,156,485	1,599,605	356,415	1,715,632
<i>Debt Service:</i>										
Principal Retirement	454,065	357,325	371,064	2,331,034	294,295	306,305	321,075	721,505	726,220	327,983
Interest and Fiscal Charges	218,819	202,167	181,762	270,936	96,666	102,493	103,578	93,755	126,952	139,122
Total Expenditures	19,350,625	19,341,941	23,434,728	25,087,330	24,207,118	22,709,084	21,414,384	24,099,463	23,100,078	31,258,418
<i>Excess of Revenues Over (Under) Expenditures</i>	37,722	167,835	(767,663)	(3,369,731)	(254,298)	496,080	987,307	(1,560,725)	899,680	(4,261,229)
Other Financing Sources (Uses)										
Sale of Capital Assets	24,086	1,505	2,260	40,038	0	0	4,492	29,727	0	11,101
General Obligation Bonds Issues	0	0	0	2,125,000	0	0	0	0	0	0
Premium on General Obligation Bonds	0	0	0	16,642	0	0	0	0	0	0
Issuance of Notes	0	0	0	0	0	0	400,000	600,000	200,000	900,000
Insurance Recoveries	0	0	0	0	0	0	0	0	17,892	0
Proceeds from Loan	0	0	0	0	0	126,126	0	0	0	0
Inception of Capital Lease	156,658	36,297	2,000	12,228	55,181	69,106	61,035	71,885	25,731	46,259
Payment for Refunded Note	0	0	0	0	0	0	0	0	0	(200,000)
Transfers In	3,672,531	2,845,423	2,776,849	2,702,138	2,144,023	2,459,970	2,750,793	2,239,304	2,820,011	3,420,697
Transfers Out	(3,696,480)	(2,868,985)	(2,782,255)	(2,850,733)	(2,166,052)	(2,482,030)	(2,767,460)	(2,257,510)	(2,839,582)	(3,460,487)
Total Other Financing Sources (Uses)	156,795	14,240	(1,146)	2,045,313	33,152	173,172	448,860	683,406	224,052	717,570
Net Change in Fund Balances	\$194,517	\$182,075	(\$768,809)	(\$1,324,418)	(\$221,146)	\$669,252	\$1,436,167	(\$877,319)	\$1,123,732	(\$3,543,659)
Debt Service as a Percentage of Noncapital Expenditures	3.6%	3.0%	2.4%	10.6%	1.7%	1.9%	2.1%	3.8%	4.0%	1.9%

Note: The change in Total Revenues for 2006 is due to Municipal Court Agency Fund being moved out of General Governmental Funds

CITY OF CHILLICOTHE, OHIO
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN YEARS

Collection Year	Real Property		Tangible Personal Property			Tangible Personal Property			Total	Estimated Actual Value	Ratio	Direct Rate
	Assessed Value	Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value				
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value						
2000	\$277,047,580	\$791,564,514	\$25,226,420	\$28,666,386	\$138,200,360	\$552,801,440	\$440,474,360	\$1,373,032,341	32.08%	3.20		
2001	281,716,700	804,904,857	26,229,520	29,806,273	134,758,760	539,035,040	442,704,980	1,373,746,170	32.23%	3.20		
2002	317,916,300	908,332,286	22,138,160	25,157,000	126,066,490	504,265,960	466,120,950	1,437,755,246	32.42%	3.20		
2003	320,113,840	914,610,971	25,010,810	28,421,375	136,569,160	546,276,640	481,693,810	1,489,308,986	32.34%	3.20		
2004	325,706,610	930,590,314	21,397,510	24,315,352	99,150,970	396,603,880	446,255,090	1,351,509,547	33.02%	3.20		
2005	356,696,600	1,019,133,143	21,343,390	24,253,852	88,563,590	354,254,360	466,603,580	1,397,641,355	33.39%	3.20		
2006	359,476,340	1,027,075,257	19,197,300	21,815,114	60,785,720	324,190,507	439,459,360	1,373,080,878	32.01%	3.20		
2007	361,865,550	1,033,901,571	18,246,050	20,734,148	38,150,840	305,206,720	418,262,440	1,359,842,439	30.76%	3.20		
2008	398,492,350	1,138,549,571	14,169,310	16,101,489	15,581,790	249,308,640	428,243,450	1,403,959,700	30.50%	3.20		
2009	396,324,680	1,132,256,229	15,266,240	17,348,000	2,605,380	20,843,040	414,196,300	1,170,447,269	35.39%	3.20		

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each appraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, and will be 6.25 percent for 2008 and zero for 2009. In 2009, Tangible Personal Property consists only of Telephone/Telecommunications property. This property was assessed at 12.50 percent for 2009 and will be assessed at 6.25 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ross County Auditor

CITY OF CHILLICOTHE, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENT:
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City of Chillicothe Millage										
Operating	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
<i>Total City Millage</i>	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Ross County Millage										
Operating	9.40	9.40	9.40	9.40	9.80	10.40	10.40	10.40	10.60	11.70
<i>Total County Millage</i>	9.40	9.40	9.40	9.40	9.80	10.40	10.40	10.40	10.60	11.70
Chillicothe City School District Millage										
Operating	37.70	37.70	37.70	37.70	37.70	40.20	46.20	46.20	46.20	46.20
Debt Service	0.04	0.00	0.00	0.00	0.00	4.47	4.47	4.47	4.47	4.47
<i>Total School Millage</i>	37.74	37.70	37.70	37.70	37.70	44.67	50.67	50.67	50.67	50.67
Other Millage										
Operating	3.80	3.80	3.80	3.80	3.80	3.80	3.80	4.80	4.80	4.80
<i>Total Other Millage</i>	3.80	3.80	3.80	3.80	3.80	3.80	3.80	4.80	4.80	4.80
Total Millage	54.14	54.10	54.10	54.10	54.50	62.07	68.07	69.07	69.27	70.37
Overlapping Rates by Taxing District										

Source: Ross County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessor values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Overlapping rates are those of local and county governments that apply to property owners within the City.

City of Chillicothe, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Total Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2000	\$1,393,689	\$1,369,358	98.25%	\$25,636	\$1,394,994	100.09%	\$37,211	2.67%
2001	1,399,265	1,382,712	98.82%	26,722	1,409,434	100.73%	39,819	2.85%
2002	1,469,163	1,429,337	97.29%	27,771	1,457,108	99.18%	42,707	2.91%
2003	1,518,557	1,486,333	97.88%	32,415	1,518,748	100.01%	48,375	3.19%
2004	1,403,152	1,362,926	97.13%	36,425	1,399,351	99.73%	51,693	3.68%
2005	1,462,582	1,427,113	97.57%	35,811	1,462,924	100.02%	46,670	3.19%
2006	1,372,991	1,339,805	97.58%	38,675	1,378,483	100.40%	52,481	3.82%
2007	1,308,996	1,282,064	97.94%	40,662	1,326,388	101.33%	59,173	4.52%
2008	1,328,749	1,289,316	97.03%	56,208	1,345,524	101.26%	55,618	4.19%
2009	1,286,895	1,245,462	96.78%	41,434	1,286,896	100.00%	60,422	4.70%

Source: Ross County Auditor

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate Tax
2009 and 2000

2009		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$18,160,380	4.58%
Chillicothe Mall, Inc.	4,220,620	1.06%
DDR Chillicothe, LLC	3,978,530	1.00%
Central Center	3,101,500	0.78%
Pittsburgh GlassWorks, LLC	2,911,100	0.73%
Sam's Real Estate Business	2,629,020	0.66%
Zane Plaza LLC	2,399,090	0.61%
K-Mart Corporation	2,311,240	0.58%
RG Chilli Associates LTD.	1,823,400	0.46%
QNP Corporation	1,764,270	0.45%
Total	\$43,299,150	10.93%
Total Assessed Valuation	\$396,324,680	

2000		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Mead Corporation	\$26,008,970	9.39%
Developers Diversified Realty	3,037,370	1.10%
Chillicothe Mall, Inc.	2,777,290	1.00%
Central Center LTD	2,353,090	0.85%
Real Estate Finance Trust	2,175,600	0.79%
PPG Industries, Inc	2,143,590	0.77%
Shawnee Group LTD Partnership	2,115,170	0.76%
Horizon Telcom, Inc	1,584,290	0.57%
RG Chilli Associates LTD	1,497,290	0.54%
ABCO Land Development	1,332,130	0.48%
Total	\$45,024,790	16.25%
Total Assessed Valuation	\$277,047,580	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2009 and 2000 collections were based.

CITY OF CHILLICOTHE, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST NINE YEARS

TAX YEAR	TAX RATE	TOTAL TAX COLLECTED	TAXES FROM WITHHOLDING	PERCENTAGE OF TAXES FROM WITHHOLDING	TAXES FROM NET PROFITS	PERCENTAGE OF TAXES FROM NET PROFITS	TAXES FROM INDIVIDUALS	PERCENTAGE OF TAXES FROM INDIVIDUALS
2001	1.60%	\$9,542,629	\$8,428,535	88.33%	\$774,724	8.12%	\$339,370	3.56%
2002	1.60%	9,584,702	8,310,970	86.71%	906,618	9.46%	367,113	3.83%
2003	1.60%	9,372,330	8,159,960	87.06%	804,672	8.59%	407,698	4.35%
2004	1.60%	9,819,398	8,203,049	83.54%	859,852	8.76%	756,497	7.70%
2005	1.60%	10,172,778	8,521,259	83.77%	910,361	8.95%	741,158	7.29%
2006	1.60%	10,138,072	8,461,085	83.46%	968,369	9.55%	708,618	6.99%
2007	1.60%	10,404,969	8,682,707	83.45%	1,122,212	10.79%	789,989	7.59%
2008	1.60%	10,718,814	8,666,403	80.85%	1,252,889	11.69%	827,659	7.72%
2009	1.60%	10,498,943	8,433,031	80.32%	1,236,915	11.78%	828,997	7.90%

Source: City Income Tax Department

Note: The City is prohibited by statute from presenting information regarding individual taxpayers

CITY OF CHILLICOTHE
RATIO OF OUTSTANDING DEBT TO
TOTAL PERSONAL INCOME AND DEBT PER-CAPITA
LAST TEN YEARS

YEAR	Governmental Activities					Business-Type Activities					TOTAL DEBT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OPWC LOANS	CAPITAL LEASES	GENERAL OBLIGATION BONDS	MORTGAGE REVENUE BONDS	OWDA LOANS						
2000	\$3,210,000	\$0	\$0	\$177,713	\$0	\$15,290,000	\$210,046			\$18,887,759	6.84%	\$857	
2001	2,895,000	0	0	171,685	0	14,410,000	129,313			17,605,998	6.38%	799	
2002	2,570,000	0	0	127,621	0	13,490,000	44,242			16,231,863	3.73%	712	
2003	2,405,000	0	0	98,815	2,095,000	12,560,000	0			17,158,815	4.12%	787	
2004	2,160,000	0	0	137,758	2,020,000	11,490,000	0			15,807,758	3.80%	725	
2005	1,915,000	0	113,513	154,650	1,935,000	10,330,000	0			14,448,163	2.87%	663	
2006	1,660,000	0	100,900	162,223	1,855,000	9,145,000	0			12,923,123	2.56%	593	
2007	1,405,000	0	88,287	141,498	1,770,000	7,925,000	0			11,329,785	2.72%	520	
2008	1,140,000	0	75,675	117,598	1,685,000	6,675,000	0			9,693,273	2.33%	445	
2009	870,000	0	63,063	114,276	1,595,000	5,665,000	0			8,307,339	1.68%	373	

CITY OF CHILLICOTHE, OHIO
RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS

YEAR	POPULATION (1)	ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (2)	GROSS BONDED DEBT (3)	RATIO OF NET BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	NET BONDED DEBT PER CAPITA
2000	22,041	\$1,373,032,340	\$18,500,000	1.35%	\$839
2001	22,041	1,373,746,170	17,305,000	1.26%	785
2002	21,796	1,458,766,328	16,060,000	1.10%	737
2003	21,796	1,536,811,302	17,060,000	1.11%	783
2004	21,796	1,385,996,840	15,670,000	1.13%	719
2005	21,796	1,428,446,081	14,180,000	0.99%	651
2006	21,796	1,373,080,878	12,660,000	0.92%	581
2007	21,796	1,359,842,439	11,100,000	0.82%	509
2008	21,796	1,403,959,700	9,500,000	0.68%	436
2009	22,296	1,170,447,269	8,130,000	0.69%	365

Sources:

(1) 2000 Census/July 2008 Census Estimate

(2) Ross County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

CITY OF CHILLICOTHE, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2009

JURISDICTION	GOVERNMENTAL ACTIVITIES DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY (1)	AMOUNT APPLICABLE TO CITY
DIRECT - CITY OF CHILLICOTHE			
GENERAL OBLIGATION BONDS	\$455,000	100.00%	\$455,000
OPWC LOANS	63,063	100.00%	63,063
CAPITAL LEASES	114,276	100.00%	114,276
POLICE AND FIRE PENSION BONDS	415,000	100.00%	415,000
GENERAL OBLIGATION NOTES	4,800,000	100.00%	4,800,000
TOTAL DIRECT DEBT	<u>5,847,339</u>		<u>5,847,339</u>
OVERLAPPING			
ROSS COUNTY	\$9,692,180	36.76%	\$3,562,845
CHILLICOTHE CITY SCHOOLS	32,141,254	92.41%	29,701,733
UNION-SCIOTO LOCAL SCHOOLS	3,023,869	18.34%	554,578
SOUTHEASTERN LOCAL SCHOOLS	2,564,856	3.76%	96,439
ZANE TRACE LOCAL SCHOOLS	2,802,123	1.12%	31,384
SPRINGFIELD TOWNSHIP	82,800	4.00%	3,312
TOTAL OVERLAPPING DEBT	<u>50,307,082</u>		<u>33,950,291</u>
TOTAL	<u><u>\$56,154,421</u></u>		<u><u>\$39,797,630</u></u>

Source: Chillicothe City Auditor/ Ross County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's

CITY OF CHILLICOTHE, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Assessed Property Value	\$440,474,360	\$442,704,980	\$466,120,950	\$481,693,810	\$446,255,090	\$466,603,580	\$439,459,360	\$418,262,440	\$428,243,450	\$414,196,300
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	46,249,808	46,484,023	48,942,700	50,577,850	46,856,784	48,993,376	46,143,233	43,917,556	44,965,562	43,490,612
Debt Outstanding:										
General Obligation Bonds	3,210,000	2,895,000	2,570,000	2,405,000	2,160,000	1,915,000	1,660,000	1,405,000	1,140,000	870,000
General Obligation Bonds - Enterprise	0	0	13,490,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000	1,685,000	1,595,000
General Obligation Revenue Bonds	15,290,000	14,410,000	0	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000	6,675,000	5,665,000
OWDA Loans	210,046	129,313	44,242	0	0	0	0	0	0	0
OPWC Loans	0	0	0	0	0	113,513	100,900	88,287	75,675	63,063
Special Assessment Bonds	0	0	0	0	0	0	0	0	0	0
Notes Payable	3,950,000	3,725,000	3,500,000	2,000,000	2,200,000	1,700,000	1,200,000	1,300,000	3,000,000	4,800,000
Total Gross Indebtedness	22,660,046	21,159,313	19,604,242	19,060,000	17,870,000	15,993,513	13,960,900	12,488,287	12,575,675	12,993,063
Less:										
Notes Payable from Governmental Fund Revenues	0	0	0	0	1,000,000	800,000	600,000	400,000	2,800,000	4,800,000
Revenue Bonds Payable from Enterprise Fund Revenues	15,290,000	14,410,000	13,490,000	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000	6,675,000	5,665,000
G.O. Bonds Payable from Enterprise Fund Revenues	3,950,000	3,725,000	3,500,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000	1,685,000	1,595,000
Notes Payable from Enterprise Fund Revenues	210,046	129,313	44,242	2,000,000	1,200,000	900,000	600,000	300,000	0	0
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0	0	113,513	100,900	88,287	75,675	63,063
Special Assessment Bonds	0	0	0	0	0	0	0	0	0	0
Bond Retirement Fund Balance	92,536	99,783	104,236	62,044	12,150	12,669	13,086	15,950	16,326	16,591
Total Net Debt Applicable to Debt Limit	3,117,464	2,795,217	2,465,764	2,342,956	2,147,850	1,902,331	1,646,914	1,989,050	1,323,674	853,409
Legal Debt Margin Within 10 1/2% Limitations	\$43,132,344	\$43,688,806	\$46,476,936	\$48,234,894	\$44,708,934	\$47,091,045	\$44,496,319	\$41,928,506	\$43,641,888	\$42,637,203
Legal Debt Margin as a Percentage of the Debt Limit	93.26%	93.99%	94.96%	95.37%	95.42%	96.12%	96.43%	95.47%	97.06%	98.04%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	\$24,226,090	\$24,348,774	\$25,636,652	\$26,493,160	\$24,544,030	\$25,663,197	\$24,170,265	\$23,004,434	\$23,553,390	\$22,780,797
Total Gross Indebtedness	22,660,046	21,159,313	19,604,242	19,060,000	17,870,000	15,993,513	13,960,900	12,488,287	12,575,675	12,993,063
Less:										
Notes Payable from Governmental Fund Revenues	0	0	0	0	1,000,000	800,000	600,000	400,000	2,800,000	4,800,000
Revenue Bonds Payable from Enterprise Fund Revenues	15,290,000	14,410,000	13,490,000	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000	6,675,000	5,665,000
G.O. Bonds Payable from Enterprise Fund Revenues	3,950,000	3,725,000	3,500,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000	1,685,000	1,595,000
Notes Payable from Enterprise Fund Revenues	210,046	129,313	44,242	2,000,000	1,200,000	900,000	600,000	300,000	0	0
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0	0	113,513	100,900	88,287	75,675	63,063
Special Assessment Bonds	0	0	0	0	0	0	0	0	0	0
Bond Retirement Fund Balance	92,536	99,783	104,236	62,044	12,150	12,669	13,086	15,950	16,326	16,591
Net Debt Within 5 1/2% Limitations	3,117,464	2,795,217	2,465,764	2,342,956	2,147,850	1,902,331	1,646,914	1,989,050	1,323,674	853,409
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$21,108,626	\$21,553,557	\$23,170,888	\$24,150,204	\$22,396,180	\$23,760,866	\$22,523,351	\$21,015,384	\$22,229,716	\$21,927,388
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	87.13%	88.52%	90.38%	91.16%	91.25%	92.59%	93.19%	91.35%	94.38%	96.12%

Source: City Financial Records

CITY OF CHILLICOTHE, OHIO
 PLEDGED REVENUE COVERAGE
 WATER SYSTEM MORTGAGE REVENUE BONDS
 LAST TEN YEARS

YEAR	WATER SERVICE CHARGES AND INTEREST	DIRECT OPERATING EXPENSES (1)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
2000	\$3,967,096	\$2,432,293	\$1,534,803	\$655,000	\$738,845	1.10
2001	4,019,211	2,511,184	1,508,027	685,000	708,715	1.08
2002	4,261,581	2,580,987	1,680,594	715,000	676,520	1.21
2003	4,237,212	3,003,396	1,233,816	750,000	642,200	0.89
2004	4,681,173	2,395,727	2,285,446	850,000	426,668	1.79
2005	4,569,734	2,806,797	1,762,937	930,000	348,715	1.38
2006	4,476,401	2,532,230	1,944,171	945,000	330,115	1.52
2007	4,736,631	3,085,979	1,650,652	965,000	301,505	1.30
2008	4,367,330	2,893,049	1,474,281	985,000	290,950	1.16
2009	4,401,980	3,310,974	1,091,006	1,010,000	266,817	0.85

(1) Direct operating expenses do not include depreciation and amortization expense

CITY OF CHILLICOTHE, OHIO
 PLEDGED REVENUE COVERAGE
 SEWER SYSTEM MORTGAGE REVENUE BONDS
 LAST TEN YEARS

YEAR	SEWER SERVICE CHARGES AND INTEREST	DIRECT OPERATING EXPENSES (1)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
2000	\$2,526,320	\$1,749,893	\$776,427	\$185,000	\$92,815	2.79
2001	2,678,013	1,992,229	685,784	195,000	85,415	2.45
2002	2,906,583	2,039,687	866,896	205,000	77,323	3.07
2003	2,875,559	2,406,215	469,344	210,000	68,405	1.69
2004	3,049,095	2,444,535	604,560	220,000	58,955	2.17
2005	3,092,130	2,551,986	540,144	230,000	48,835	1.94
2006	3,185,599	2,293,202	892,397	240,000	38,025	3.21
2007	3,569,310	2,304,866	1,264,444	255,000	26,265	4.50
2008	3,233,799	2,419,443	814,356	265,000	13,515	2.92
2009	3,155,672	2,522,863	632,809	0	0	0

(1) Direct operating expenses do not include depreciation and amortization expense

CITY OF CHILLICOTHE, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Age (1)	School Enrollment (2)	Ross County Unemployment Rate (3)	Total Assessed Property Value (4)
2000	22,041	\$276,151,689	\$12,529	37.2	4,230	5.7%	\$440,474,360
2001	22,041	276,151,689	12,529	40.0	4,017	6.4%	442,704,980
2002	22,796	435,426,396	19,101	40.0	3,841	6.2%	466,120,950
2003	21,796	416,325,396	19,101	40.0	3,743	7.1%	481,693,810
2004	21,796	416,325,396	19,101	40.0	3,733	9.1%	446,255,090
2005	21,796	503,988,908	23,123	40.0	3,350	7.3%	466,603,580
2006	21,796	503,988,908	23,123	40.0	3,145	6.2%	439,459,360
2007	21,796	498,387,336	22,866	40.0	3,171	8.0%	418,262,440
2008	21,796	416,325,396	19,101	40.0	3,137	9.4%	428,243,450
2009	22,296	494,525,280	22,180	40.0	3,122	13.0%	414,196,300

(1) Source: 2000 Census/July 2008 Census Estimate

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

(3) Source: U.S. Bureau of Labor Statistics

(4) Source: Ross County Auditor

(5) Computation of per capita personal income multiplied by population

CITY OF CHILLICOTHE, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

2009

Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,450	4.82%
Ross County	County Govt	529	1.76%
Chillicothe City Schools	Education	350	1.16%
City of Chillicothe	City Govt	290	0.96%
Lowe's	Retail	230	0.76%
Wal-Mart	Retail	210	0.70%
Horizon Family of Companies	Communications	200	0.66%
Ohio University-Chillicothe	College Campus	170	0.56%
Adelphia	Cable TV/Internet	122	0.41%
American Electric Power	Utility Center	14	0.05%
Total		<u>3,565</u>	<u>11.84%</u>
Total Employment Within the City		<u>30,100</u>	<u>100.00%</u>

2000

Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	2,580	n/a
Chillicothe City Schools	Education	827	n/a
Ross County	County Govt	827	n/a
Wal-Mart	Retail	515	n/a
Ohio University-Chillicothe	College Campus	401	n/a
City of Chillicothe	City Govt	488	n/a
Horizon Family of Companies	Communications	265	n/a
Lowe's	Retail	253	n/a
Adelphia	Cable TV/Internet	130	n/a
American Electric Power	Utility Center	21	n/a
Total		<u>6,307</u>	<u>n/a</u>
Total Employment Within the City		<u>n/a</u>	<u>n/a</u>

Source: Number of employees obtained from the W2's from the City Tax Department

n/a - Information not available

CITY OF CHILLICOTHE, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION PROGRAM
LAST FOUR YEARS

Function/Program	2006	2007	2008	2009
General Government				
Square Footage Occupied	39,577	39,577	39,577	39,577
Administrative Vehicles	0	0	0	0
Engineering Vehicles	3	10	10	9
Municipal Court Vehicles	1	2	2	2
Service Department Vehicles	26	33	34	34
Police				
Stations	1	1	1	1
Square Footage of Building	29,090	29,090	29,090	29,090
Vehicles	26	21	23	22
Fire				
Stations	3	3	3	3
Square Footage of Building	23,476	23,476	23,476	23,476
Vehicles	21	28	30	27
Recreation				
Number of Parks	12	12	12	12
Number of Pools	1	1	1	1
Number of Tennis Courts	4	4	4	4
Number of Baseball Diamonds	13	13	13	13
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	8	8	8	8
Vehicles	9	22	22	21
Floodwall				
Miles	2.5	2.5	2.5	2.5
Transportation				
Square Footage of Building	26,157	26,157	26,157	26,157
Vehicles	17	20	21	24
Water Department				
Water Lines (miles)	100	133	133	133
Vehicles	14	17	20	20
Sewer Department				
Sewer Lines/Storm Sewer (miles)	101	103	103	103
Vehicles	14	25	26	26

Information Prior to 2006 is not available

CITY OF CHILLCOTHE, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION PROGRAM
 LAST EIGHT YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009
General Government								
Council	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Auditor	7.5	7.5	6.5	6.5	6.5	6.5	6.5	6.5
Income Tax	4	4	3	3	3	3	3	3
Treasurer	1	1	1	1	1	1	1	1
Mayor	9	7	7	6	5.5	5.5	6.5	5.5
Law Director	5.5	5.5	5	5	5.5	6	7	7
Engineering	13	13	9	8	11	7	7	6
Civil Service	1	1	1	1	1	1	1	2.5
Municipal Court	26	26	24	24.5	24	25	24.5	23.5
Security of Persons and Property								
Police	56	55	49	49	50	52	53.5	54.5
Fire	49	48	41	43	45	45	47	47
School Crossing Guards	10.5	8.5	7.5	7	7.5	7.5	7.5	7.5
Traffic Control-Meters	1	1	1	1	1	1	1	1
Leisure Time Activities								
Parks	3	6	6	2	5	5	5	5
Recreation	9.5	5.5	5	7.5	4	6	5	4
Transportation								
Service	31	28	29	28.5	25.5	25.5	25.5	27
Transit	17.5	20	21	22	22	24	24	24
Basic Utility Services								
Water	26	17	26	19	26	28	28	29
Sewer	18.5	25.5	19	22.5	17.5	17.5	18.5	17.5
Totals:	<u>294.5</u>	<u>285</u>	<u>266.5</u>	<u>262</u>	<u>266.5</u>	<u>272</u>	<u>277</u>	<u>277</u>

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available.

CITY OF CHILLICOTHE, OHIO
OPERATING INDICATORS BY FUNCTION /PROGRAM
LAST FOUR YEARS

Function/Program	2006	2007	2008	2009
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	153	156	166	158
Number of Resolutions Passed	40	21	25	26
Number of Planning Commission Docket Items	12	16	11	6
Zoning Board of Appeals Docket Items	39	31	35	23
Design & Review Board Docket Items	40	35	32	55
<i>Finance Department</i>				
Number of Checks/Vouchers Issued	5,647	5,928	5,646	6,290
Amount of Checks Written	\$27,646,498	\$34,031,388	\$33,538,991	\$42,906,483
Interest Earnings for fiscal year (cash basis)	\$543,654	\$767,972	\$335,401	\$203,115
Number of Receipts Issued	882	2,297	2,036	2,340
Agency Ratings - Moody's Financial Services	A2	A2	A2	A2
General Fund Receipts (cash basis)	\$16,807,568	\$17,002,025	\$16,144,252	\$19,634,492
General Fund Expenditures (cash basis)	\$16,589,421	\$17,221,144	\$16,590,076	\$19,145,869
General Fund Cash Balances	\$2,538,822	\$2,483,975	\$2,678,364	\$3,520,378
<i>Income Tax Department</i>				
Number of Individual Returns	7,468	7,753	7,864	8,176
Amount of Business Returns	2,186	2,170	2,239	2,359
Number of Business Withholding Accounts	1,731	1,878	1,960	1,952
Amount of Penalties and Interest Collected	\$60,750	\$47,954	\$54,444	\$107,958
Annual Number of Corporate Withholding Forms Processed	10,320	11,088	10,864	11,365
Annual Number of Balance Due Statements Forms Processed	1,686	723	1,908	1,948
Annual Number of Estimated Payment Forms Processed	2,325	1,717	2,440	2,414
Annual Number of Reconciliations of Withholding Processed	1,291	1,505	1,677	1,714
<i>Engineering Department</i>				
Dollar Amount of Construction Overseen by Engineer	\$60,750	\$250,000	\$1,200,000	\$1,000,000
<i>Municipal Court</i>				
Number of Civil Cases	1,820	2,139	2,027	1,895
Amount of Criminal Cases	4,645	4,708	4,720	4,122
Amount of Traffic Cases	9,226	8,767	10,327	10,121
Amount of Small Claims Cases	560	716	435	229

continued

CITY OF CHILLICOTHE, OHIO
OPERATING INDICATORS BY FUNCTION /PROGRAM
LAST FOUR YEARS

Function/Program	2006	2007	2008	2009
<i>Civil Service</i>				
Number of Police Entry Tests Administered	1	0	0	108
Number of Fire Entry Tests Administered	0	1	0	57
Number of Police Promotional Tests Administered	0	1	0	14
Number of Fire Promotional Tests Administered	0	0	6	0
Number of Hires of Police Officers from Certified Lists	5	3	0	5
Number of Hires of Fire/Medics Officers from Certified Lists	0	0	0	0
Number of Promotions from Police Certified Lists	0	1	0	2
Number of Promotions from Fire Certified Lists	0	0	0	0
<i>Building Department Indicators</i>				
Construction Permits Issued	25	31	13	11
Estimated Value of Construction	\$21,179,322	\$47,408,815	\$16,967,414	\$17,823,496
Number of Permits Issued	887	890	849	947
Amount of Revenue Generated from Permits	\$97,684	\$101,433	\$127,646	\$79,438
Number of Contractor Registrations Issued	436	380	344	377
Revenue Generated from Above 1	\$21,800	\$18,950	\$3,306	\$3,413
<i>Police Department</i>				
Total Calls for Service	27,642	26,259	25,610	25,984
Number of Traffic Citations Issued	3,600	2,942	3,008	1,995
Number of Parking Citations Issued	4,209	3,840	3,400	2,229
Number of Criminal Arrests	2,916	5,113	5,010	3,790
Number of Accident Reports Completed	1,035	1,147	1,121	1,033
DUI Arrests	225	171	187	176
Prisoner costs (room and board)	\$298,437	\$310,516	\$375,252	\$372,985
Motor Vehicle Accidents	639	820	771	724
Property Damage Accidents	396	327	350	309
Fatalities from Motor Vehicle Accidents	0	0	0	1
Gasoline Costs of Fleet	\$72,276	\$81,763	\$75,859	\$63,199
DARE Program hours	1,440	1,440	1,440	1,600
<i>Fire Department</i>				
EMS Calls	4,857	4,846	4,911	5,134
Ambulance Billing Collections (net)	\$923,551	\$936,958	\$893,804	\$1,030,299
Fire Calls	639	771	795	681
Fires with Loss	48	58	52	35
Fires with Losses Exceeding \$10K	5	7	4	7
Fire Losses \$	\$1,665,125	\$241,035	\$931,810	\$255,490
Fire Safety Inspections	100 plus	100 plus	100 plus	100 plus
Number of Times Mutual Aid Given to Fire	11	0	7	0
Number of Times Mutual Aid Received for Fire	2	0	0	7
Number of Injuries Requiring Medical Attention	4	6	4	3
Fatalities Due to Fire	1	0	1	2

continued

CITY OF CHILLICOTHE, OHIO
OPERATING INDICATORS BY FUNCTION /PROGRAM
LAST FOUR YEARS

Function/Program	2006	2007	2008	2009
Leisure Time Activities				
<i>Recreation Department</i>				
Recreation Swimming Pool Receipts	\$37,144	\$60,956	\$92,861	\$48,588
Recreation Mens, Women & Chillicothe Leagues Receipts	\$23,127	\$21,395	\$25,315	\$25,790
Number of Tree License Issues	23	53	19	19
Amount of Revenue from Tree License	\$575	\$1,325	\$475	\$475
Total Acreage all Parks	225	225	225	876
Transportation				
<i>Street Construction & State Highway</i>				
Street Sweeper (hours)	1,200	1,400	1,100	1,000
Cold Patch (hours)	1,400	1,600	1,600	1,500
Snow and Ice Removal (regular hours)	200	180	200	300
Snow and Ice Removal (overtime hours)	150	200	200	449
Leaf Collection (hours)	2,880	2,800	3,000	3,000
Downtown Square Repair after Events (hours)	104	50	75	75
Tons of Snow Melting Salt Purchased (Nov-Mar)	416	578	151	810
Cost of Salt Purchased	\$16,648	\$23,120	\$6,054	\$48,096
Basic Utility Services				
<i>Refuse Department</i>				
Refuse Disposal per year (in tons) August through July	8,356	8,252	8,124	7,566
Refuse Disposal cost per year August through July	\$342,175	\$312,107	\$286,340	\$290,408
<i>Water Department</i>				
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	14.18	14.18	14.48	14.48
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	21.28	21.28	21.71	21.71
Total Water Collections Annually (including P&I)	\$4,301,855	\$4,607,872	\$4,242,825	\$4,233,031
Number of Active Customers	9,312	9,207	9,153	9,167
<i>WasteWater Department</i>				
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	11.51	11.51	11.74	11.74
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	17.26	17.26	17.61	17.61
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	789.495	797.027	1009.626	934.845
Tons of Dry Sludge Removed	334.672	324.410	313.360	341.000
Wastewater Calls for Service	210	220	250	19
After Hours Wastewater Calls for Service (hours)	721	176	596	76
Sewer Jet, Vac-all, other services (hours)	1,144	800	953	1,000

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Mary Taylor, CPA
Auditor of State

CITY OF CHILLICOTHE

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 27, 2010