

CITY OF XENIA



Single Audit Reports

December 31, 2011



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Xenia, Greene County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 21, 2012

**CITY OF XENIA, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Disbursements
<u>U.S. DEPARTMENT OF HUD</u>			
<i>Pass-Through State Department of Development:</i>			
Community Development Block Grant - Formula Program	A-F-10-2ER-1	14.228	\$64,754
Community Development Block Grant - Formula Program	A-F-09-203-1	14.228	33,860
Community Development Block Grant - CDBG Program	A-T-09-2ER-1	14.228	120,438
Neighborhood Stabilization Program Grant	B-Z-08-027-1	14.218	39,703
			<u>258,755</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Funding</i>			
Equitable Sharing		16.xxx	31,489
Crime Victim Assistance	2012VAGENE538	16.575	15,606
Crime Victim Assistance	2011VAGENE538	16.575	40,751
Violence Against Women Formula Grant	2010-WF-VA2-8308	16.588	59,834
Edward Bryne Memorial Justice Assistance Grant	2010-JG-LLE-5095	16.738	5,764
			<u>153,444</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Pass-Through Ohio Department of Transportation</i>			
Jamestown Connector Project	E060(905)/81703	20.205	61,420
Xenia Streetscape Project Phase 1	ARRA E070(274)	20.205	251,582
Xenia Streetscape Project Phase 1	E070(274)	20.205	9,421
Xenia Streetscape Project Phase 2	ARRA E100(356)	20.205	282,044
Xenia Streetscape Project Phase 2	E100(356)	20.205	44,228
			<u>648,695</u>
<u>US ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Passed Through The Ohio Environmental Protection Agency</i>			
NonPoint Source Implementation	C9975500009	66.460	47,949
			<u>47,949</u>
<u>US DEPARTMENT OF HOMELAND SECURITY - FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Direct Funding</i>			
Fire Sprinkler Grant	EMW-2009-FO-02241	97.044	41,849
Staffing for Adequate Fire and Emergency Response	EMW-2010-FH-01063	97.044	125,825
Assistance to Firefighters Grant (Thermal Imaging Cameras)	EMW-2010-FO-02805	97.044	13,500
			<u>181,174</u>
			<u>\$1,290,017</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs.

The schedule has been prepared using the cash basis of accounting.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Xenia (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 14, 2012 wherein we noted the City adopted GASB Statement No. 54 as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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 to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
June 14, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the City of Xenia's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

Management of the City 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 have a direct and material effect on a major federal program to determine the 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 expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City as of and for the year ended December 31, 2011, and have issued our report thereon dated June 14, 2012, which contained unqualified opinions on those financial statements wherein we noted the City adopted GASB Statement No. 54 as disclosed in Note 3. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
June 14, 2012

CITY OF XENIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2011

Section I – Summary of Auditor’s Results

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

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

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF XENIA
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133
DECEMBER 31, 2011

Summary of Prior Audit Findings and Questioned Costs:

2010-1 Finding Type —Material Weakness—Controls Related to Financial Reporting

A material misstatement was identified requiring adjustment in the financial statements. The misstatement was not prevented or detected and corrected on a timely basis by the City's internal control and therefore constituted a material weakness in internal control related to financial reporting.

Status: Corrected.

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XENIA OHIO

VIVID HISTORY. VIBRANT FUTURE.

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011





THE CITY OF XENIA, OHIO

GREENE COUNTY

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

**Prepared by:
Department of Finance**

**Mark A. Bazalak
Finance Director**

**Ryan Duke
Assistant Finance Director**

**Denise Estle
Finance Technician**



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GREENE COUNTY, OHIO

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INTRODUCTORY SECTION





Department of Finance

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

June 21, 2012

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

Dear Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Xenia, Ohio for the fiscal year ended December 31, 2011 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Xenia's financial activities have been included.

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

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

Independent Audit

State statutes require an annual audit by the State Auditor's Office or, at the State Auditor's discretion, an independent certified public accounting firm. The City and the State Auditor's Office selected the firm Plattenburg and Associates, Inc. to perform the 2011 audit of the City. The auditors' unqualified opinion is included in the Financial Section of this report.

Single Audit

If \$500,000 or more in federal awards is expended in the fiscal year, the City of Xenia is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments". The City's expenditures of federal awards in 2011 did require that a single audit be performed. Information related to this single audit can be found in a separate audit report.

- v -

City of Hospitality

An Equal Opportunity Employer

***Letter of Transmittal
For the Year Ended December 31, 2011***

As a recipient of federal and state financial assistance, the city is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation and internal audit by City management. As part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state assistance programs, as well as to determine that the City has complied with applicable state and local laws and regulations. The results of the City's single audit for the fiscal year ended December 31, 2011 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

GOVERNMENT PROFILE

Xenia is a City of nearly 26,000 located in southwest Ohio. Xenia was founded in 1803, incorporated in 1817, and became a city in 1834. The legislative authority is comprised of one Mayor and six City Council Members. A City Manager, Finance Director, and Law Director are appointed by the legislative authority and are responsible for day to day administration. The City of Xenia provides a full range of services. These services include police and fire protection; ambulance and paramedic services; water, sewer, stormwater, and sanitation services; the construction and maintenance of highways, streets and infrastructure; zoning and planning services; development functions, and recreational activities.

Component Unit

In addition to general government activities, the reporting entity of the City of Xenia includes the Xenia Economic Growth Corporation (XEGC), a discretely presented component unit. XEGC was dissolved in October of 2011 but is represented on the entity wide statements. The Statement of Activities includes activity of the component unit in 2011. There are no balances to present on the Statement of Net Assets because the corporation did not exist at year end. All its assets liabilities and balances were delivered to the City on November 1st, 2011.

Budget

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

***Letter of Transmittal
For the Year Ended December 31, 2011***

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

ECONOMIC CONDITIONS

Local Economy

Slumping national, state and local economies continue to plague the City. Unemployment in the City fell from 10.5% to 8.9% in 2011. The vast majority of households in the City had taxable income of less than \$20,000 in 2011 which speaks to the need to improve the City's tax base. Despite challenges with the income demographic the new income tax rate effective January 1st of 2011 meant a significant increase in tax revenue. The additional revenue helped bring some financial stability to an organization that was facing very difficult budget issues. The City currently has an A-1 bond rating from Moody's. That bond rating has allowed the City access to low interest rate financing options for a variety of purposes. The City's reserve fund balance, quality management strategies, and a low debt ratio, helped preserve an attractive bond rating despite high unemployment rates and a struggling local economy.

Long Term Financial Planning

In November of 2010 a ballot initiative passed increasing the City's income tax rate from 1.75% to 2.25%. Half of the increase was for the purpose of supporting police and fire operations. The increase allowed the City to restore laid off Police Officers and Firefighters, and reopen Fire Station # 2. The other half of the increase was to fund capital improvement projects including \$500,000 annually dedicated to street improvements.

While an increased income tax rate has most certainly improved the City's financial situation administration recognizes numerous challenges in the coming years. Local government funds have been cut significantly at the State level and the City projects that it will lose more than 1 million dollars in revenue annually by 2014. In 2012 the cuts will have an impact of nearly a half a million dollars. Other major concerns include unemployment rates, increased health care and commodity costs, income demographics, and high service demands. The City has explored several options which may provide the City with additional revenue. The City entered into a Joint Economic Development District agreement with the school district and township for an elementary school located outside of City limits. While the City may explore other revenue generating initiatives, strong economic development is an absolute necessity.

***Letter of Transmittal
For the Year Ended December 31, 2011***

An income tax rebate program was instituted in 2010 in an effort to make Xenia more attractive to new businesses or those looking to expand. The City is seeking to increase the availability of suitable sites for economic development. The sites will be developed as environmentally clean industrial/commercial parks. One such park that has begun to develop is the OVCH South Industrial Park. The City currently utilizes rural enterprise zone agreements which give partial tax abatement for real property taxes. The City of Xenia will continue to provide financial and marketing assistance to promote retention and expansion of existing businesses and to attract new business.

The City's infrastructure is in need of great repair and since the passage of an income tax levy to fund capital improvement projects the City has begun addressing those needs. The City has continued to maintain, review, and update yearly a five-year capital improvement program that provides a framework for the maintenance and expansion of the infrastructure to meet current and future needs. The City Council has taken a strong leadership role in this area to ensure that public infrastructures are maintained and will be in place to facilitate continuing economic development.

The City has continued an aggressive program to improve and increase services and to repair, replace and expand its public facilities, streets and utilities systems. The utilization of the State's Issue 2 and Local Transportation Improvement Program has helped fund twenty (21) such projects totaling \$6,536,410 since their inception.

Relevant Financial Policies

The City has a policy to maintain at least a two month operating reserve in its key operating funds. It is also expected that the key operating funds have a positive cash flow. That is, operating revenues should exceed operating expenses in those funds. To comply with these expectations management has taken action and made tough decisions including the elimination of several positions. These policies have allowed the City to meet all of its obligations, maintain a respectable bond rating, and sustain a balance which can be utilized in the case of emergency. The City has a number of policies in place to ensure compliance with the City Charter and State law and to maintain adequate internal controls.

MAJOR INITIATIVES

For the Year

The City has continued to establish and work towards clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and City Staff. The goal and objective setting process drives the organization. It is a continuous cycle of reviewing short and long-term goals, setting goals and objectives, evaluating the results, and reassessing short and long-term goals and their priority. In preparing the 2011 budget, the City identified several major programs/projects needed to meet citizens' needs for cost effective services, to comply with applicable mandated federal and state requirements and to maintain the City's infrastructure.

***Letter of Transmittal
For the Year Ended December 31, 2011***

These programs/projects include:

- Completed the annual street resurfacing and crack sealing program
- Began the Downtown Façade Loan and Architectural design programs
- Completed the W. Main Street Enhancement project
- Continued the design of the Jamestown Connector Tunnel
- Completed the construction of the Jamestown Connector Bikepath
- Continued the engineering design for the Xenia Station Bike Spur
- Completed the engineering design and began the Shawnee Park Improvement project
- Completed the redundant 20" water main transmission line with Issue II grant funds
- Continued the wayfinding signage project for downtown including kiosk
- Completed the engineering and began construction of the Programmable Logic Controller System for the Water Treatment Plant
- Completed a water system modeling upgrade
- Purchased a sewer jet vacuum
- Completed the Contract A improvements at the Ford Road Wastewater Plant
- Completed the engineering design for the Contract B- Phase I improvements at the Gladly Run Wastewater Treatment Plant
- Completed Phase II environmental assessments at the Legacy Ministries/Athletes in Action Campus through the Clean Ohio Assistance Fund
- Completed a mural on the façade of the downtown Xenia Arts and Cultural Theater
- Began the Xenia Comprehensive Plan to continue the long range planning effort
- Applied for grant funds through the Clean Ohio Revitalization Fund to remediate environmental issues at the former Hooven and Allison site
- Continued the Public Safety Services Study
- Entered agreement for power purchase through Solar Arrays at the Wastewater Plants
- Awarded an engineering design contract for the Ford Road Interceptor Sewer project
- Awarded a contract for Spring Hill Park furniture and shelter

For the Future

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

In 2009 the City developed the "2020 Vision Plan" focusing on six core elements to establish a vibrant future. These core elements are Economic Development, Image Enhancement, Quality Service Provision, Community Outreach, Adequate Financial Resources, and Infrastructure Stabilization. Each of these core elements has initiatives that will begin the process of implementing the "2020 Vision Plan".

***Letter of Transmittal
For the Year Ended December 31, 2011***

The City will continue to address the six core elements of its vision plan through a variety of avenues. Image Enhancement will deal with new residential construction and design guidelines and improvements to gateway entrances. Community Outreach has already begun with the creation of the City's Facebook page, the return of the City Newsletter and surveying of City residents. The City also began X-Plan in 2011, a comprehensive plan update in which citizens have been very involved. The X-Plan is a community-based vision for future development and a roadmap of how to achieve the vision. The Quality Service Provision is being addressed on several fronts. A public safety study, information technology study, and the comprehensive plan update will all touch various aspects of quality service. The Adequate Financial Resources core element initiative will focus primarily on economic development which will in time improve the tax base. Infrastructure Stabilization will focus on identifying priorities to develop the five year capital improvement program which will be utilized to implement the vision plan.

The major projects planned for 2012 are to continue the annual Street Resurfacing and Crack Sealing program; begin the U.S./42 Ledbetter Road upgrade; complete the Bike Spur Enhancement project; complete City Hall Network Rewiring; begin the design of a Wireless or Fiber Institutional Network for City Buildings; complete fiber installation for Shawnee Park and Fire station 1; complete the Public Safety Services study; complete the Information Technology Strategic and Disaster Recovery Plans; begin improvements at Sterling Green Park; begin remediation of environmental issues through the Clean Ohio Revitalization Fund for the Hooven and Allison site and the Legacy Ministries/Athletes in Action sites; complete a feasibility study for a potential entertainment complex at Greene Park Plaza utilizing Local Government Innovation Grant funds; execute Water Plant Property acquisitions related to clean water protection; begin a slip lining and lateral rehabilitation program for sewer; complete Phase I of Contract B for Glady Run Wastewater Treatment Plant; complete design of Phase I of Ford Road Interceptor Sewer; begin catch basin rehabilitation program; complete Xenia Comprehensive Plan; complete design and begin construction of Jamestown Connector Tunnel; continue the Downtown Façade Loan and Architectural Design programs; and complete the Programmable Logic Controller System for the Water Treatment Plant.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officer's Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Xenia for its comprehensive annual financial report for the year ended December 31, 2010. This was the twenty-eighth consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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

***Letter of Transmittal
For the Year Ended December 31, 2011***

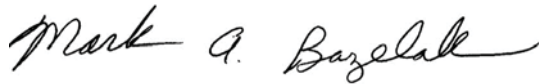
The City also received special recognition from the Ohio House of Representatives for being presented the certificate of excellence for the 2010 Comprehensive Annual Financial Report.

Acknowledgments

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

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

Respectfully submitted,



Mark A. Bazelak
Finance Director

***List of Principal Officials
For the Year Ended December 31, 2011***

CITY COUNCIL

Jeanne Mills	President
William R. (Bill) Miller	Vice President
Marsha Bayless	Mayor
Michael Engle	
Dale Louderback	
John Caupp	
Wesley Smith	

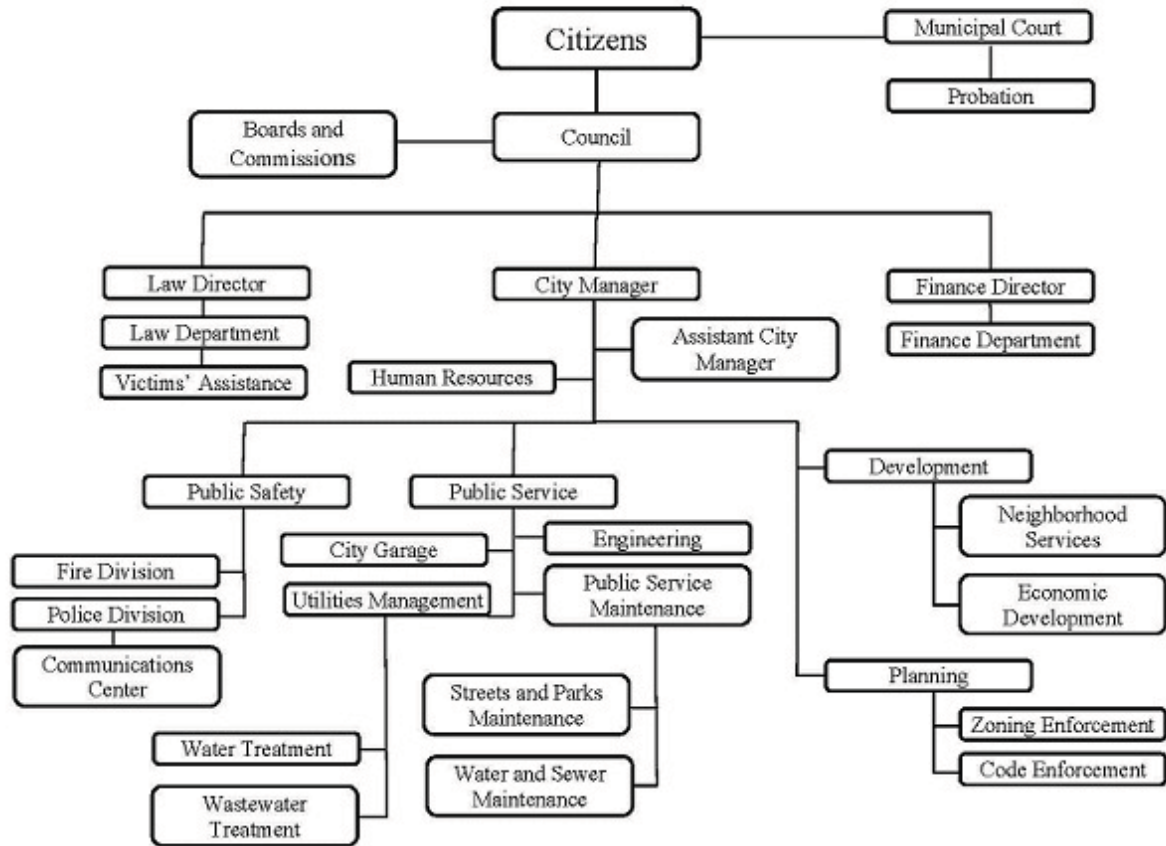
APPOINTED OFFICIALS

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

DEPARTMENT OF FINANCE STAFF

Mark A. Bazalak	Finance Director
Ryan Duke	Assistant Finance Director
Diana Steck	Accounts Receivable Manager
Edgar Cardenas	Information Technology Manager
Craig Birchard	Information Technology Technician
Michelle Johnson	City Clerk
Denise Estle	Finance Technician/Finance
Mary Ann Richardson	Finance Clerk/Accounts Payable
Bill McCarthy	Finance Clerk/Payroll
Dennis W. Evans	Finance Clerk/Income Tax
Karly Burns	Finance Clerk/Income Tax
Jannette Reedy	Finance Clerk/Utility Billing
Deborah Smith	Finance Clerk/Utility Billing
Angela Ferrero	Finance Clerk/Utility Billing
Julie Willis	Finance Clerk/Utility Billing

City Organizational Chart
For the Year Ended December 31, 2011



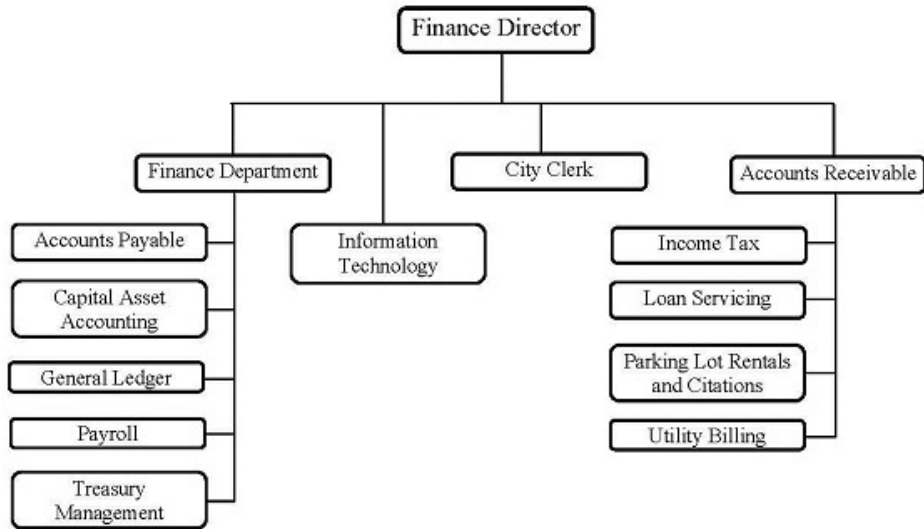
Commissions

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

Boards

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

***Finance Department Organizational Chart
For the Year Ended December 31, 2011***



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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Xenia
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Danson

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Xenia (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, State Gas and Vehicle License Fund, and Police and Fire Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, during the year ended December 31, 2011, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*."

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
June 14, 2012

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

The discussion and analysis of Xenia City's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

The total change in the net assets of Xenia City was \$3,286,420. Net assets of governmental activities increased \$2,742,223, which represents a 6.55% increase from 2010. Net assets of business-type activities increased by \$544,197 or 1.72% from 2010.

General revenues accounted for \$16.1 million or 51.0% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15.6 million or 49.0% of total revenues of \$31.7 million.

The total assets of governmental activities increased by \$2,742,223 due in large part to an income tax rate increase passed by voters in November of 2010. The City's 2011 income tax collections were \$2.7 million higher than what was collected in 2010. Cash, Cash Equivalents, and Investments increased by \$1.8 million in 2011. Capital Assets also grew by nearly \$1.6 million. Several projects contributed to the increase including a state issue 2 project that is in progress which brings a redundant 20" water main into town from the water treatment plant. Renovations at the City's feature park, the completion of the Jamestown Connector bike path paving project, the West Main gateway and streetscape enhancements, and downtown way finding signage also contributed to the increase.

The City had \$18.8 million in expenses related to governmental activities; \$5.3 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16.1 million provided additional support for these programs.

The general fund had \$9.3 million in revenues, \$3.8 million in expenditures and transfers to other funds of \$5.4 million. Due to implementation of GASB 54, balances, revenues, and expenses, once recorded in a separate recreation fund are now reported in the general fund. The general fund balance increased from \$2,045,737 to \$2,119,749.

The net assets for business-type activities increased \$544,197. The Water, Sanitation, Storm Water, and Loan, funds all experienced increases in Net Assets. The most significant of these increases was in the Loan fund. This increase was the result of the fund receiving the assets of the City's component unit (The Xenia Economic Growth Corporation) when in late October of 2011 the corporation was dissolved. The Sanitation fund's net assets increased somewhat significantly for the second straight year. The increase can be attributed to steady increases in charges for services over the last few years while operating

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

expenses have not grown. A contract for garbage collection is the funds primary expense and that cost has not grown materially for several years. The contract is due to be rebid in 2012. Net assets in both the sewer and parking funds decreased in 2011. Charges for service in the sewer fund declined significantly due to a decline in usage for a large customer.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

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

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole, using accepted methods similar to those used by private-sector companies. This includes the Xenia Economic Growth Corporation (XEGC), the City's discretely presented component unit which was dissolved in October of 2011. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

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

Governmental Activities – Most of the City's program's and services are reported here including public safety, urban redevelopment and housing, economic development and assistance, recreation, highways and streets, and general government.

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

Fund Financial Statements

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

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

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

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

Management's Discussion and Analysis**For the Year Ended December 31, 2011****Unaudited****FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table shows a comparison of net assets between 2011 and 2010.

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2011	2010	2011	2010	2011	2010
Current and other assets	\$15,359,589	\$13,428,499	\$12,076,872	\$12,829,808	\$27,436,461	\$26,258,307
Capital assets, net	36,773,704	35,193,286	29,176,530	29,200,827	65,950,234	64,394,113
Total assets	<u>52,133,293</u>	<u>48,621,785</u>	<u>41,253,402</u>	<u>42,030,635</u>	<u>93,386,695</u>	<u>90,652,420</u>
Long-term debt outstanding	4,476,050	3,832,203	8,457,724	9,140,578	12,933,774	12,972,781
Other liabilities	3,067,791	2,942,353	604,918	1,243,494	3,672,709	4,185,847
Total liabilities	<u>7,543,841</u>	<u>6,774,556</u>	<u>9,062,642</u>	<u>10,384,072</u>	<u>16,606,483</u>	<u>17,158,628</u>
Net assets						
Invested in capital assets net of related debt	34,113,956	33,054,119	22,250,312	21,637,865	56,364,268	54,691,984
Restricted	8,188,065	6,100,965	120,288	178,266	8,308,353	6,279,231
Unrestricted	2,287,431	2,692,145	9,820,160	9,830,432	12,107,591	12,522,577
Total net assets	<u>\$44,589,452</u>	<u>\$41,847,229</u>	<u>\$32,190,760</u>	<u>\$31,646,563</u>	<u>\$76,780,212</u>	<u>\$73,493,792</u>

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CITY OF XENIA, OHIO

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

Change in Net Assets – The following table shows the changes in net assets for the fiscal year 2011 compared to 2010.

	Governmental Activities	Governmental Activities Reclassified	Business-type Activities	Business-type Activities	Total	Total
	2011	2010*	2011	2010	2011	2010*
Revenues						
Program Revenues						
Charges for services and sales	\$3,257,412	\$3,764,775	\$9,206,450	\$10,712,076	\$12,463,862	\$14,476,851
Operating grants and contributions	398,496	459,403	714,903	627,888	1,113,399	1,087,291
Capital grants and contributions	1,634,700	1,098,518	383,879	0	2,018,579	1,098,518
General Revenues:						
Income taxes	10,969,297	8,272,340	0	0	10,969,297	8,272,340
Other local taxes	36,655	39,052	0	0	36,655	39,052
Property Taxes	1,361,654	1,582,440	0	0	1,361,654	1,582,440
Motor vehicle and gasoline taxes	1,418,289	1,459,124	0	0	1,418,289	1,459,124
Intergovernmental, unrestricted	1,895,351	1,755,690	0	0	1,895,351	1,755,690
Investment earnings	63,913	80,055	0	0	63,913	80,055
Miscellaneous	385,043	209,174	0	0	385,043	209,174
Total revenues	<u>21,420,810</u>	<u>18,720,571</u>	<u>10,305,232</u>	<u>11,339,964</u>	<u>31,726,042</u>	<u>30,060,535</u>
Expenses						
Program Expenses						
General government	3,677,014	3,559,643	0	0	3,677,014	3,559,643
Public safety	12,065,050	11,311,480	0	0	12,065,050	11,311,480
Health	0	258,706	0	0	0	258,706
Highways and streets	2,409,163	1,842,334	0	0	2,409,163	1,842,334
Urban Redevelopment & Housing	139,753	125,650	0	0	139,753	125,650
Economic Development & Assistance	151,523	147,294	0	0	151,523	147,294
Recreation	272,941	284,934	0	0	272,941	284,934
Debt service:						
Interest and fiscal charges	67,642	104,977	0	0	67,642	104,977
Water	0	0	3,075,621	2,980,976	3,075,621	2,980,976
Sewer	0	0	4,346,983	3,883,632	4,346,983	3,883,632
Sanitation	0	0	1,642,102	1,577,458	1,642,102	1,577,458
Storm Water	0	0	324,722	277,359	324,722	277,359
Other enterprise funds	0	0	267,108	243,485	267,108	243,485
Total expenses	<u>18,783,086</u>	<u>17,635,018</u>	<u>9,656,536</u>	<u>8,962,910</u>	<u>28,439,622</u>	<u>26,597,928</u>
Total change in net assets						
before transfers	2,637,724	1,085,553	648,696	2,377,054	3,286,420	3,462,607
Transfers	104,499	(62,275)	(104,499)	62,275	0	0
Total change in net assets	<u>2,742,223</u>	<u>1,023,278</u>	<u>544,197</u>	<u>2,439,329</u>	<u>3,286,420</u>	<u>3,462,607</u>
Beginning net assets	<u>41,847,229</u>	<u>40,823,951</u>	<u>31,646,563</u>	<u>29,207,234</u>	<u>73,493,792</u>	<u>70,031,185</u>
Ending net assets	<u>\$44,589,452</u>	<u>\$41,847,229</u>	<u>\$32,190,760</u>	<u>\$31,646,563</u>	<u>\$76,780,212</u>	<u>\$73,493,792</u>

*See Note 5 for details on the reclassification.

Management’s Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

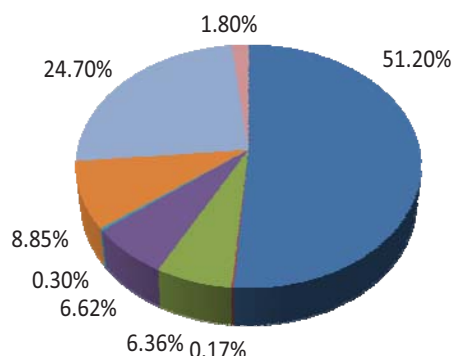
Governmental Activities

Net assets of the City’s governmental activities increased by \$2,742,223. This increase can be attributed to a change in the income tax rate resulting in higher income tax collections, and the receipt of grant funding close to \$2.0 million in 2011. Expenses did increase significantly as the City brought back laid off police and fire personnel and committed to a more robust street program. The revenues however were more than enough to offset the increased expenses in 2011.

The City receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation and on net profits earned from residents living or working within the City. This rate was an increase from the previous rate of 1.75%. This measure was passed by city residents in October of 2010 effective January 1, 2011.

Property taxes and income taxes made up 6.36% and 51.21% respectively of revenues for governmental activities for the City in fiscal year 2011. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 64.36% of total revenues are general tax revenues.

Revenue Sources	2011	Percent of Total
Municipal income taxes	\$10,969,297	51.20%
Other local taxes	36,655	0.17%
Property taxes	1,361,654	6.36%
Motor vehicle and gas taxes	1,418,289	6.62%
Investment earnings	63,913	0.30%
Intergovernmental , unrestricted	1,895,351	8.85%
Program revenues	5,290,608	24.70%
Miscellaneous	385,043	1.80%
Total Revenue	\$21,420,810	100.00%



Business-Type Activities

Net assets of the business-type activities increased \$544,197. The majority of changes in net assets among these funds were insignificant. Three changes in net assets were of note in the sewer, sanitation, and loan funds. A significant change in usage by a large customer impacted the sewer fund’s charges for services and ultimately the change in net assets, the sanitation fund continued steady growth in its charges for service while operating expenses remained flat, and the loan fund received the assets of XEGC and therefore experienced a significant increase in net assets.

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$10,372,478 which is an increase from last year's balance of \$8,802,205. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2011 and 2010:

	Fund Balance December 31, 2011	Restated Fund Balance December 31, 2010	Increase (Decrease)
General	\$2,119,749	\$2,045,737	\$74,012
State Gas and Vehicle License	410,051	330,327	79,724
Police & Fire Fund	2,866,466	2,580,595	285,871
Capital Improvements	2,510,777	1,327,145	1,183,632
Other Governmental	2,465,435	2,518,401	(52,966)
Total	\$10,372,478	\$8,802,205	\$1,570,273

General Fund – Revenues: General Fund revenues in 2011 increased approximately 9.47% compared to revenues in fiscal year 2010 as shown in the chart below. The increase in revenues can be attributed primarily to the change in the income tax rate which resulted in higher income tax collections. Higher estate tax collections in 2011 contributed to the increase in state shared taxes while grant receipts decreased.

	2011 Revenues	2010 Revenues	Increase (Decrease)
Municipal Income Taxes	\$4,832,824	\$4,083,217	\$749,607
Other Local Taxes	1,064,394	1,072,225	(7,831)
State Shared taxes and permits	1,871,968	1,776,638	95,330
Intergovernmental grants	93,875	197,008	(103,133)
Charges for services	30,494	0	30,494
Fines, costs, forfeitures, Licenses and permits	1,045,890	1,065,654	(19,764)
Miscellaneous receipts including interest earnings	356,435	297,342	59,093
Total	\$9,295,880	\$8,492,084	\$803,796

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

General Fund – Expenditures: General Fund expenditures increased \$410,581 over the prior year. The creation of a police and fire fund in 2010 impacted the level of expenses charged to the General Fund in that year. The City also passed a levy in late 2010 and began collecting those tax revenues in 2011. Several expenses or programs that had been cut in 2010 were inserted back into the budget in 2011.

	2011 Expenditures	2010 Expenditures Reclassified*	Increase (Decrease)
General Government	\$3,149,741	\$2,850,693	\$299,048
Public Safety	159,860	0	159,860
Health	0	0	0
Highways and Streets	241,757	272,387	(30,630)
Urban Redevelopment & Housing	115,864	126,423	(10,559)
Economic Development & Assistance	2,339	0	2,339
Recreation	158,251	167,728	(9,477)
Total	<u>\$3,827,812</u>	<u>\$3,417,231</u>	<u>\$410,581</u>

*See Note 5 for details on the reclassification

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

For the General Fund, final budget basis revenue of \$9.35 million did not significantly change over the original budget estimates of \$9.32 million. The final budgeted expenditures of \$4.42 million did not significantly exceed original appropriations of \$4.3 million. The City budgeted transfers of \$5.55 million in the original budget and adjusted that number by only \$1,500 in the final budget. The largest variance among revenues between final budget amounts and actual revenues was in fines, costs, forfeitures, licenses, and permits. This had to do with municipal court revenues including criminal court costs and probation service fees coming in under what was estimated. When comparing budgeted expenses to actual the City only considers the variances in public safety and recreation to be significant. The other variances are a small percentage of what was budgeted and can be attributed to ordinary contingencies budgeted on a regular basis. The variance in public safety can primarily be attributed to contractual services or engineering services within the engineering department that were not utilized. The recreation variance is the result of fewer dollars being spent than was anticipated on park maintenance for personnel, materials and supplies, and for mowing. The General Fund had an adequate fund balance to cover expenditures.

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

Capital Improvement Fund – The City's General Capital Improvement Fund revenues increased by \$1,171,855 or 110% compared to 2010. The increase is the result of the passage of a new income tax levy that will fund capital improvements. Previously the fund had no significant dedicated revenue source. In 2011 close to 11% of income tax collections were receipted into the capital improvement fund. Miscellaneous receipts were also higher in 2011 because of insurance claims related to a hail storm.

	2011 <u>Revenues</u>	2010 <u>Revenues</u>	Increase <u>(Decrease)</u>
Income Taxes	\$1,220,171	\$127,807	\$1,092,364
Other Local Taxes	39,053	36,654	2,399
Intergovernmental Grants	833,956	819,016	14,940
Charges for Services	250	800	(550)
Miscellaneous Receipts including interest earnings	145,031	82,329	62,702
	<u>\$2,238,461</u>	<u>\$1,066,606</u>	<u>\$1,171,855</u>

Capital improvement fund expenditures increased by \$859,350 in 2011. Major projects such as the Jamestown Connector, West Main Street enhancement, Shawnee Park renovation, and an enhanced street resurfacing program contributed to the increase.

	2011 <u>Expenditures</u>	2010 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Capital Outlay	\$1,927,569	\$1,050,706	\$876,863
Debt Service:			
Principal retirement	71,770	85,969	(14,199)
Interest & Fiscal Charges	9,202	12,516	(3,314)
	<u>\$2,008,541</u>	<u>\$1,149,191</u>	<u>\$859,350</u>

The primary funding source for the capital improvements fund is income tax revenue. Intergovernmental grants are another major contributor toward capital projects. In better rate environments interest earnings are another significant source of revenue for the fund.

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Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

Enterprise Funds – The City's enterprise funds reported a net assets balance of \$32,091,305 which is an increase from last year's balance of \$31,518,169. The schedule below indicates the net assets balance and the total change in net assets by activity as of December 31, 2011 and 2010.

	Net Assets Balance December 31, 2011	Net Assets Balance December 31, 2010	Increase (Decrease)
Water	\$11,977,688	\$11,821,576	\$156,112
Sewer	10,835,957	11,448,364	(612,407)
Sanitation	1,079,620	701,446	378,174
Storm Water	6,439,246	6,407,755	31,491
Other Enterprise	1,758,794	1,139,028	619,766
Total	\$32,091,305	\$31,518,169	\$573,136

There were three significant changes in enterprise fund net assets in 2011. The Sewer Fund had a reduction of net assets due to a decrease in the usage of a major customer, while revenues steadily outpaced expenses in the Sanitation fund. The loan fund acquired all the assets of the Xenia Economic Growth Corporation therefore boosting its fund balance substantially. Overall the change in net assets in the Enterprise funds was 1.81%.

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

	Water			Sewer		
	2011	2010	Increase (Decrease)	2011	2010	Increase (Decrease)
Operating Revenues	\$3,139,322	\$3,354,055	(\$214,733)	\$3,431,894	\$4,833,400	(\$1,401,506)
Non-Operating Revenues	88,590	101,547	(12,957)	297,748	546,898	(249,150)
Total	\$3,227,912	\$3,455,602	(\$227,690)	\$3,729,642	\$5,380,298	(\$1,650,656)
Operating Expenses	\$3,039,348	\$2,959,265	\$80,083	\$4,131,349	\$3,701,361	\$429,988
Non-Operating Expenses	32,452	38,323	(5,871)	210,700	199,187	11,513
Total	\$3,071,800	\$2,997,588	\$74,212	\$4,342,049	\$3,900,548	\$441,501

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$101,254 increase in appropriations between the original and final amended budget. These supplemental appropriations were made to cover legal fees, the integration of XEGC as a City department, and various personnel costs. None of the adjustments would be considered significant in the General fund. Transfers were made from the General Fund to several other funds to cover operating costs. The most significant transfer was to the Police and Fire Fund in an amount that exceeded 5 million dollars. Transfers were also made to the State Gas and Vehicle License Fund, Parking Enforcement Fund and the Victim Witness Fund to cover operating costs.

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011 the City had \$65,950,234 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$36,773,704 was related to governmental activities, and \$29,176,530 was related to business-type activities. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$16,210,287	\$16,220,607	(\$10,320)
Land Improvements	2,245,194	1,343,845	901,349
Buildings	6,816,058	6,741,464	74,594
Equipment	8,519,856	8,229,976	289,880
Infrastructure	15,763,408	15,247,920	515,488
Construction In Progress	1,625,763	685,664	940,099
Less: Accumulated Depreciation	(14,406,862)	(13,276,190)	(1,130,672)
Total	\$36,773,704	\$35,193,286	\$1,580,418

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Land	\$484,280	\$484,280	\$0
Land Improvements	574,767	448,997	125,770
Buildings	9,852,145	8,347,364	1,504,781
Equipment	52,696,723	51,215,065	1,481,658
Construction In Progress	963,879	2,646,855	(1,682,976)
Less: Accumulated Depreciation	(35,395,264)	(33,941,734)	(1,453,530)
Total	\$29,176,530	\$29,200,827	(\$24,297)

The Increase in governmental activities capital assets was the result of several additions in capital assets. Major additions included police cruisers, the Jamestown Connector path, West Main Street enhancements, way finding signage, and a parking lot at the police training facility. There was a very minor decrease in asset value in Business-type activities which can be attributed to the disposal of a dump truck. Several projects recorded as construction in progress in 2010 in the business type activities were completed and set up in the appropriate classification in 2011. Most notably, Contract A, the project to improve facilities and processes at the Ford road waste water treatment plant, was completed.

Additional information on the City's capital assets can be found in Note 11.

Management's Discussion and Analysis**For the Year Ended December 31, 2011****Unaudited**

Debt

At December 31, 2011 the City had \$1,924,000 in bonds outstanding, \$172,368 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
General Obligation Bonds	\$1,803,712	\$920,000
Capital Leases Payable	856,036	1,219,167
Compensated Absences	1,816,302	1,693,036
Total Governmental Activities	<u>4,476,050</u>	<u>3,832,203</u>
Business-Type Activities:		
General Obligation Bonds	120,288	0
Landfill Liability	956,638	993,867
Compensated Absences	454,580	405,524
Capital Leases Payable	1,416,485	1,514,227
Loans Payable	5,509,733	6,226,960
Total Business-Type Activities	<u>8,457,724</u>	<u>9,140,578</u>
	<u>\$12,933,774</u>	<u>\$12,972,781</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2011, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 14, 15, and 16.

ECONOMIC FACTORS

The National economic downturn has resulted in a significant number of job losses in the Xenia community. Unemployment rates have improved over the last year but are still not flattering. The national unemployment rate at the end of 2011 was 8.3%. The state had an unemployment rate of 7.6%, the county 7.3% and the City of Xenia 8.9%. The city's rate has decreased from 10.5% in 2010 but is still of concern to City management. There continue to be far too many households with little or no taxable income within the community. More than 63% of households in the City had a taxable income of less than \$20,000. Economic development and job creation continues to be a top priority for Council and Management. In 2011 the City evaluated its economic development activities. Administration organized an Economic Development Review Committee, consisting of local business and development professionals. The committee also included the XEGC Director, the City Manager, and the Finance Director. The committee conducted its review of challenges and opportunities on various matters related to economic development services for the City of Xenia. The conclusion of the committee was that due to limited external funding options, economic development services for the City should be incorporated as an in-house City service effective 2012. City Council tasked the City Manager with developing recommendations for the institution of an economic development office under his charge. Administration evaluated various departmental structures and incorporated economic development functions in November of 2011.

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

REQUESTS FOR INFORMATION

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



CITY OF XENIA, OHIO

**Statement of Net Assets
December 31, 2011**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		XEGC
Assets:				
Cash and cash equivalents	\$ 3,652,389	\$ 4,203,625	\$ 7,856,014	\$ 0
Investments	4,874,351	5,610,012	10,484,363	0
Receivables:				
Taxes, including interest, penalties and liens	4,227,092	0	4,227,092	0
Intergovernmental	1,864,636	0	1,864,636	0
Accounts	551,984	1,195,696	1,747,680	0
Special assessments, including liens	151,622	27,831	179,453	0
Loans	0	576,228	576,228	0
Accrued interest	18,998	24,522	43,520	0
Grants	172,650	95,800	268,450	0
Allowance for uncollectible accounts	(381,457)	(21,822)	(403,279)	0
Internal balances	(39,788)	39,788	0	0
Inventories	88,861	275,269	364,130	0
Prepaid items	178,251	49,923	228,174	0
Capital Assets Not being depreciated	17,836,050	1,448,159	19,284,209	0
Capital Assets, net of accumulated depreciation	18,937,654	27,728,371	46,666,025	0
Total Assets	52,133,293	41,253,402	93,386,695	0
Liabilities:				
Accounts payable	428,570	408,167	836,737	0
Accrued payroll	853,514	166,367	1,019,881	0
Unearned revenue	1,769,876	0	1,769,876	0
Accrued interest payable	15,831	30,384	46,215	0
Long-term liabilities:				
Amounts due within one year	613,610	673,586	1,287,196	0
Amounts due in more than one year	3,862,440	7,784,138	11,646,578	0
Total Liabilities	7,543,841	9,062,642	16,606,483	0
Net Assets:				
Invested in Capital Assets, Net of Related Debt	34,113,956	22,250,312	56,364,268	0
Restricted For:				
Capital Projects	3,060,601	120,288	3,180,889	0
Debt Service	58,633	0	58,633	0
General government programs	204,977	0	204,977	0
Safety programs	3,228,424	0	3,228,424	0
Street construction/maintenance	1,635,430	0	1,635,430	0
Unrestricted (Deficit)	2,287,431	9,820,160	12,107,591	0
Total Net Assets	\$ 44,589,452	\$ 32,190,760	\$ 76,780,212	\$ 0

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Activities
For the Year Ended December 31, 2011**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Current:				
General government	\$ 3,677,014	\$ 1,398,435	\$ 151,971	\$ 13,976
Public safety	12,065,050	1,851,179	246,525	102,098
Highways and streets	2,409,163	2,438	0	1,347,262
Urban Redevelopment & Housing	139,753	0	0	0
Economic Development & Assistance	151,523	0	0	0
Recreation	272,941	5,360	0	171,364
Debt service:				
Interest and fiscal charges	67,642	0	0	0
Total Governmental Activities	18,783,086	3,257,412	398,496	1,634,700
Business-Type Activities:				
Water	3,075,621	3,227,912	0	0
Sewer	4,346,983	3,563,646	0	165,996
Sanitation	1,642,102	2,012,065	0	0
Storm Water	324,722	344,240	0	0
Loan	8,783	1,096	676,466	0
Parking Revenue	86,505	52,926	0	0
CDBG and UDAG Revolving Loan	58,103	968	0	101,883
Housing Rehabilitation Loan	113,717	3,597	38,437	116,000
Total Business-Type Activities	9,656,536	9,206,450	714,903	383,879
Total primary government	\$ 28,439,622	\$ 12,463,862	\$ 1,113,399	\$ 2,018,579
Component Unit:				
XEGC	\$ 848,267	\$ 148,429	\$ 0	\$ 0

General Revenues:

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

Transfers

Total General Revenues and Transfers
Change in Net Assets
Net Assets Beginning of Year, as Restated
Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	XEGC
\$ (2,112,632)	\$ 0	\$ (2,112,632)	\$ 0
(9,865,248)	0	(9,865,248)	0
(1,059,463)	0	(1,059,463)	0
(139,753)	0	(139,753)	0
(151,523)	0	(151,523)	0
(96,217)	0	(96,217)	0
<u>(67,642)</u>	<u>0</u>	<u>(67,642)</u>	<u>0</u>
<u>(13,492,478)</u>	<u>0</u>	<u>(13,492,478)</u>	<u>0</u>
0	152,291	152,291	0
0	(617,341)	(617,341)	0
0	369,963	369,963	0
0	19,518	19,518	0
0	668,779	668,779	0
0	(33,579)	(33,579)	0
0	44,748	44,748	0
0	44,317	44,317	0
<u>0</u>	<u>648,696</u>	<u>648,696</u>	<u>0</u>
<u>\$ (13,492,478)</u>	<u>\$ 648,696</u>	<u>\$ (12,843,782)</u>	<u>\$ 0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (699,838)</u>
\$ 10,969,297	\$ 0	\$ 10,969,297	\$ 0
36,655	0	36,655	0
1,361,654	0	1,361,654	0
1,418,289	0	1,418,289	0
1,895,351	0	1,895,351	0
63,913	0	63,913	1,135
385,043	0	385,043	0
104,499	(104,499)	0	0
<u>16,234,701</u>	<u>(104,499)</u>	<u>16,130,202</u>	<u>1,135</u>
2,742,223	544,197	3,286,420	(698,703)
41,847,229	31,646,563	73,493,792	698,703
<u>\$ 44,589,452</u>	<u>\$ 32,190,760</u>	<u>\$ 76,780,212</u>	<u>\$ 0</u>

CITY OF XENIA, OHIO

**Balance Sheet
Governmental Funds
December 31, 2011**

	General	State Gas and Vehicle License	Police and Fire
Assets:			
Cash and cash equivalents	\$ 364,254	\$ 99,178	\$ 1,072,784
Investments	486,121	132,360	1,431,699
Receivables:			
Taxes, including interest, penalties and liens	2,452,084	0	1,344,556
Intergovernmental	690,130	522,797	25,160
Accounts	68,280	0	457,251
Special assessments, including liens	151,622	0	0
Accrued interest	0	484	6,023
Grants	0	0	66,325
Allowance for uncollectible accounts	(134,072)	0	(247,385)
Interfund Receivable	0	0	0
Inventories	9,747	14,959	0
Prepaid items	49,297	3,795	43,395
Total Assets	\$ 4,137,463	\$ 773,573	\$ 4,199,808
Liabilities:			
Accounts payable	\$ 41,118	\$ 2,465	\$ 38,363
Accrued payroll	97,916	26,965	706,492
Deferred revenue	1,878,680	334,092	588,487
Total Liabilities	2,017,714	363,522	1,333,342
Fund Balances:			
Nonspendable Fund Balance			
Inventories	9,747	14,959	0
Prepaid items	49,297	3,795	43,395
Restricted Fund Balance	0	391,297	2,823,071
Committed Fund Balance	0	0	0
Assigned Fund Balance	188,601	0	0
Unassigned Fund Balance	1,872,104	0	0
Total Fund Balances	2,119,749	410,051	2,866,466
Total Liabilities and Funds Balances	\$ 4,137,463	\$ 773,573	\$ 4,199,808

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 1,053,423	\$ 1,022,623	\$ 3,612,262
1,405,861	1,364,755	4,820,796
295,473	134,979	4,227,092
0	626,549	1,864,636
0	20,658	546,189
0	0	151,622
7,027	5,464	18,998
89,632	16,693	172,650
0	0	(381,457)
31,853	0	31,853
0	0	24,706
0	78,414	174,901
<u>\$ 2,883,269</u>	<u>\$ 3,270,135</u>	<u>\$ 15,264,248</u>
\$ 273,682	\$ 38,518	\$ 394,146
0	15,528	846,901
98,810	750,654	3,650,723
<u>372,492</u>	<u>804,700</u>	<u>4,891,770</u>
0	0	24,706
0	78,414	174,901
558,370	2,269,995	6,042,733
0	117,026	117,026
1,952,407	0	2,141,008
0	0	1,872,104
<u>2,510,777</u>	<u>2,465,435</u>	<u>10,372,478</u>
<u>\$ 2,883,269</u>	<u>\$ 3,270,135</u>	<u>\$ 15,264,248</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2011***

Total Governmental Fund Balances	\$ 10,372,478
<i>Amounts Reported for Governmental activities in the statement of net assets are different because:</i>	
Capital Assets used in Governmental Activities are not resources and therefore are not reported in the funds.	36,741,851
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	1,880,846
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(4,466,922)
The City Garage internal service fund is used by management to charge the costs of vehicle maintenance to individual departments. The asset and liabilities of the City Garage fund are allocated between the governmental and business-type activities in the statement of net assets. This is the amount that applies to the governmental activities.	<u>61,199</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 44,589,452</u></u>

See accompanying notes to the basic financial statements.



CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011**

	General	State Gas and Vehicle License	Police and Fire	Capital Improvements
Revenues:				
Municipal income tax	\$ 4,832,824	\$ 0	\$ 4,880,680	\$ 1,220,171
Other local taxes	1,064,394	0	183,358	39,053
State shared taxes and permits	1,871,968	959,595	45,452	0
Intergovernmental grants	93,875	0	234,237	833,956
Charges for services	30,494	2,060	1,452,603	250
Fines, costs, forfeitures, licenses and permits	1,045,890	0	5,226	0
Miscellaneous receipts and reimbursements, including interest	356,435	27,919	102,580	145,031
Total Revenue	9,295,880	989,574	6,904,136	2,238,461
Expenditures:				
Current:				
General government	3,149,741	0	0	0
Public safety	159,860	0	11,241,969	0
Highways and streets	241,757	943,228	0	0
Urban redevelopment & Housing	115,864	0	0	0
Economic Development & Assistance	2,339	0	0	0
Recreation	158,251	0	0	0
Capital outlay	0	0	318,015	1,927,569
Debt service:				
Principal retirement	0	0	273,552	71,770
Interest & fiscal charges	0	0	34,729	9,202
Total Expenditures	3,827,812	943,228	11,868,265	2,008,541
Excess (deficiency) of revenues over expenditures	5,468,068	46,346	(4,964,129)	229,920
Other financing sources (uses):				
Issuance of bonds	0	0	0	953,712
Transfers in	0	50,000	5,250,000	0
Transfers out	(5,391,500)	0	0	0
Total other financing sources (uses)	(5,391,500)	50,000	5,250,000	953,712
Net change in fund balances	76,568	96,346	285,871	1,183,632
Fund Balances at Beginning of Year - Restated	2,045,737	330,327	2,580,595	1,327,145
Change in Nonspendable Fund Balance - Inventories	(2,556)	(16,622)	0	0
Fund Balances End of Year	\$ 2,119,749	\$ 410,051	\$ 2,866,466	\$ 2,510,777

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 1,220,171	\$ 0	\$ 10,933,675
39,053	113,902	1,400,707
0	232,021	3,109,036
833,956	938,143	2,100,211
250	0	1,485,407
0	306,846	1,357,962
<u>145,031</u>	<u>203,325</u>	<u>835,290</u>
<u>2,238,461</u>	<u>1,794,237</u>	<u>21,222,288</u>
0	233,962	3,383,703
0	101,097	11,502,926
0	110,703	1,295,688
0	14,460	130,324
0	144,324	146,663
0	0	158,251
1,927,569	1,198,318	3,443,902
71,770	87,809	433,131
9,202	26,530	70,461
<u>2,008,541</u>	<u>1,917,203</u>	<u>20,565,049</u>
229,920	(122,966)	657,239
953,712	0	953,712
0	70,000	5,370,000
0	0	(5,391,500)
<u>953,712</u>	<u>70,000</u>	<u>932,212</u>
1,183,632	(52,966)	1,589,451
1,327,145	2,518,401	8,802,205
0	0	(19,178)
<u>\$ 2,510,777</u>	<u>\$ 2,465,435</u>	<u>\$ 10,372,478</u>

CITY OF XENIA, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2011***

Net change in Fund Balances - Total Governmental Funds \$1,589,451

***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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation. 1,495,192

Governmental funds only report the disposal of assets to the extent proceeds are received from sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets. (38,672)

The statement of activities reported a transfer of capital assets from business-type activities to governmental activities. Capital asset transfers are not recognized in the governmental funds. 125,999

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 198,522

The repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 433,131

A New Bond issue increased long-term liabilities in the statement of net assets but are an other financing source Bond Proceeds in the governmental funds. (953,712)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,819

Some expenses reported in the statement of activities, such as change in inventory and compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (143,510)

The City Garage Internal Service Fund, which is used to charge the cost of services to individual funds, is not included in the statement of activities. Governmental fund expenditures and related internal services revenues are eliminated. The net revenue (expense) of the City Garage Internal Service Fund is allocated among the governmental and business-type activities. 33,003

Change in Net Assets of Governmental Activities \$2,742,223

See accompanying notes to the basic financial statements.

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 4,555,691	\$ 4,555,691	\$ 4,565,655	\$ 9,964
Other Local Taxes	1,200,000	1,200,000	1,238,394	38,394
State Shared Taxes and Permits	1,904,641	1,924,641	1,899,336	(25,305)
Intergovernmental Grants	125,000	125,000	125,167	167
Charges for Services	47,600	47,600	30,494	(17,106)
Fines, Costs, Forfeitures, Licenses and Permits	1,153,604	1,153,604	1,043,441	(110,163)
Miscellaneous Receipts and Reimbursements, including Interest	336,721	341,221	355,415	14,194
Total Revenues	9,323,257	9,347,757	9,257,902	(89,855)
Expenditures:				
Current:				
General Government	3,476,508	3,537,559	3,290,169	247,390
Public Safety	216,852	240,959	175,276	65,683
Highways and Streets	283,450	283,732	273,150	10,582
Urban Redevelopment & Housing	133,892	134,018	120,133	13,885
Economic Development & Assistance	0	2,940	1,951	989
Recreation	208,283	221,031	170,910	50,121
Total Expenditures	4,318,985	4,420,239	4,031,589	388,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,004,272	4,927,518	5,226,313	298,795
Other Financing Sources (Uses):				
Transfers Out	(5,551,000)	(5,552,500)	(5,391,500)	161,000
Advances In	2,500	2,500	0	(2,500)
Advances Out	(2,500)	(2,500)	0	2,500
Total Other Financing Sources (Uses):	(5,551,000)	(5,552,500)	(5,391,500)	161,000
Net Change in Fund Balance	(546,728)	(624,982)	(165,187)	459,795
Fund Balance at Beginning of Year	596,282	596,282	596,282	0
Prior Year Encumbrances	128,492	128,492	128,492	0
Fund Balance at End of Year	\$ 178,046	\$ 99,792	\$ 559,587	\$ 459,795

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – State Gas and Vehicle License Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State Shared Taxes and Permits	\$ 998,140	\$ 998,140	\$ 965,421	\$ (32,719)
Charges for Services	0	0	2,060	2,060
Miscellaneous Receipts and Reimbursements, including Interest	4,000	4,000	27,693	23,693
Total Revenues	1,002,140	1,002,140	995,174	(6,966)
Expenditures:				
Current:				
Highways and Streets	1,109,407	1,136,035	1,029,225	106,810
Total Expenditures	1,109,407	1,136,035	1,029,225	106,810
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,267)	(133,895)	(34,051)	99,844
Other Financing Sources (Uses):				
Transfers In	185,000	185,000	50,000	(135,000)
Total Other Financing Sources (Uses):	185,000	185,000	50,000	(135,000)
Net Change in Fund Balance	77,733	51,105	15,949	(35,156)
Fund Balance at Beginning of Year	70,109	70,109	70,109	0
Prior Year Encumbrances	81,851	81,851	81,851	0
Fund Balance at End of Year	\$ 229,693	\$ 203,065	\$ 167,909	\$ (35,156)

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Police and Fire Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 4,381,677	\$ 4,381,677	\$ 4,613,511	\$ 231,834
Other Local Taxes	226,000	226,000	212,358	(13,642)
State Shared Taxes and Permits	48,974	48,974	45,452	(3,522)
Intergovernmental Grants	84,000	213,000	189,707	(23,293)
Charges for Services	1,589,906	1,589,906	1,454,769	(135,137)
Fines, Costs, Forfeitures, Licenses and Permits	10,000	10,000	5,226	(4,774)
Miscellaneous Receipts and Reimbursements, including Interest	71,000	71,000	96,757	25,757
Total Revenues	<u>6,411,557</u>	<u>6,540,557</u>	<u>6,617,780</u>	<u>77,223</u>
Expenditures:				
Current:				
Public Safety	11,527,444	11,695,375	11,265,520	429,855
Capital Outlay	337,533	406,017	387,154	18,863
Debt Service				
Principal Retirement	273,556	273,556	273,552	4
Interest and Fiscal Charges	34,733	34,733	34,729	4
Total Expenditures	<u>12,173,266</u>	<u>12,409,681</u>	<u>11,960,955</u>	<u>448,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,761,709)	(5,869,124)	(5,343,175)	525,949
Other Financing Sources (Uses):				
Transfers In	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,250,000</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,250,000</u>	<u>0</u>
Net Change in Fund Balance	(511,709)	(619,124)	(93,175)	525,949
Fund Balance at Beginning of Year	2,231,549	2,231,549	2,231,549	0
Prior Year Encumbrances	176,875	176,875	176,875	0
Fund Balance at End of Year	<u>\$ 1,896,715</u>	<u>\$ 1,789,300</u>	<u>\$ 2,315,249</u>	<u>\$ 525,949</u>

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	<i>Business-type activities - Enterprise Funds</i>		
	Water	Sewer	Sanitation
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 1,396,046	\$ 1,190,989	\$ 942,747
Investments	1,863,114	1,589,453	1,258,157
Receivables:			
Accounts	368,404	736,515	13,469
Special assessments, including liens	7,606	14,597	4,878
Loans	0	0	0
Accrued interest	8,548	7,749	5,115
Grants	0	0	0
Allowance for uncollectible accounts	(5,768)	(12,233)	(3,402)
Inventories	249,759	25,510	0
Prepaid items	26,413	18,471	2,541
Total Current Assets	3,914,122	3,571,051	2,223,505
Noncurrent Assets:			
Unrestricted:			
Loans receivable (net of current)	0	0	0
Capital Assets not being depreciated	961,209	389,140	0
Capital Assets (net of accumulated depreciation)	8,228,069	13,503,287	89,088
Total Noncurrent Assets	9,189,278	13,892,427	89,088
Total Assets	13,103,400	17,463,478	2,312,593
Liabilities:			
Current Liabilities:			
Accounts payable	95,936	72,999	204,788
Accrued payroll	71,659	70,904	14,582
Interfund payable	0	0	0
Loan payable	0	472,386	0
Accrued interest payable	15,181	15,181	11
Compensated absences	17,088	18,585	4,873
Capital lease payable - current	51,085	51,086	0
GO Bonds - Current	4,946	4,946	506
Landfill liability - current	0	0	45,000
Total Current Liabilities	255,895	706,087	269,760

CITY OF XENIA, OHIO

Storm Water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 267,090	\$ 391,481	\$ 4,188,353	\$ 55,399
356,449	522,455	5,589,628	73,939
67,770	0	1,186,158	15,333
750	0	27,831	0
0	16,184	16,184	0
1,364	1,746	24,522	0
0	95,800	95,800	0
(419)	0	(21,822)	0
0	0	275,269	64,155
17	318	47,760	5,513
<u>693,021</u>	<u>1,027,984</u>	<u>11,429,683</u>	<u>214,339</u>
0	560,044	560,044	0
0	97,810	1,448,159	0
<u>5,778,576</u>	<u>109,270</u>	<u>27,708,290</u>	<u>51,934</u>
<u>5,778,576</u>	<u>767,124</u>	<u>29,716,493</u>	<u>51,934</u>
<u>6,471,597</u>	<u>1,795,108</u>	<u>41,146,176</u>	<u>266,273</u>
6,005	20,668	400,396	42,195
5,859	3,363	166,367	6,612
0	0	0	31,853
0	0	472,386	0
11	0	30,384	0
1,413	1,166	43,125	1,035
0	0	102,171	0
506	0	10,904	0
0	0	45,000	0
<u>13,794</u>	<u>25,197</u>	<u>1,270,733</u>	<u>81,695</u>

(Continued)

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	<u>Business-type activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>
Noncurrent Liabilities			
Compensated absences	163,046	177,318	46,496
Capital lease payable	657,158	657,156	0
Loans payable	0	5,037,347	0
GO Bonds - Non Current	49,613	49,613	5,079
Landfill liability - noncurrent	0	0	911,638
Total Noncurrent Liabilities	<u>869,817</u>	<u>5,921,434</u>	<u>963,213</u>
Total Liabilities	<u>1,125,712</u>	<u>6,627,521</u>	<u>1,232,973</u>
Net Assets:			
Invested in Capital Assets, net of debt	8,481,036	7,674,451	89,088
Restricted for Capital Projects	54,559	54,559	5,585
Unrestricted	3,442,093	3,106,947	984,947
Total Net Assets	<u>\$ 11,977,688</u>	<u>\$ 10,835,957</u>	<u>\$ 1,079,620</u>

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

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Storm Water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
13,478	11,117	411,455	23,924
0	0	1,314,314	0
0	0	5,037,347	0
5,079	0	109,384	0
0	0	911,638	0
18,557	11,117	7,784,138	23,924
32,351	36,314	9,054,871	105,619
5,778,576	207,080	22,230,231	51,934
5,585	0	120,288	0
655,085	1,551,714	9,740,786	108,720
\$ 6,439,246	\$ 1,758,794	32,091,305	\$ 160,654
		59,667	
		39,788	
		\$ 32,190,760	

CITY OF XENIA, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011**

	<i>Business-type activities - Enterprise Funds</i>		
	Water	Sewer	Sanitation
Operating revenues:			
Charges for services	\$ 3,139,322	\$ 3,431,894	\$ 1,844,712
Operating expenses:			
Personnel services	1,719,462	1,708,002	324,454
General operating	9,456	6,987	105
Contractual services	611,924	827,808	1,299,144
Materials and supplies	188,994	185,048	3,324
Depreciation	483,020	857,896	6,853
Repairs and maintenance	26,492	543,640	0
Non-governmental	0	1,968	0
Total expenses	3,039,348	4,131,349	1,633,880
Operating income (loss)	99,974	(699,455)	210,832
Non-operating revenues:			
Interest revenue	37,008	28,830	22,010
Other	51,582	102,922	145,343
Intergovernmental	0	165,996	0
Proceeds from Dissolved Component Unit	0	0	0
Total Non-operating revenue	88,590	297,748	167,353
Non-operating expenses:			
Interest expense	32,452	210,700	11
Total Non-Operating Expenses	32,452	210,700	11
Income (loss) before transfers	156,112	(612,407)	378,174
Transfers in	0	0	0
Transfers out	0	0	0
Change in Net Assets	156,112	(612,407)	378,174
Net assets, beginning of year	11,821,576	11,448,364	701,446
Net assets, end of year	\$ 11,977,688	\$ 10,835,957	\$ 1,079,620

Change in Net Assets - total enterprise funds

Adjustments to consolidate Utility Billing Internal Service Fund activities

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

Total Change in net assets of business-type activities

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Storm Water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 332,142	\$ 53,953	\$ 8,802,023	\$ 836,059
133,633	72,024	3,957,575	162,846
0	1,694	18,242	3,976
17,904	92,178	2,848,958	225,585
29,480	9,056	415,902	517,268
131,721	0	1,479,490	2,101
0	0	570,132	0
0	92,156	94,124	0
<u>312,738</u>	<u>267,108</u>	<u>9,384,423</u>	<u>911,776</u>
19,404	(213,155)	(582,400)	(75,717)
5,882	4,634	98,364	375
6,216	0	306,063	79,406
0	256,320	422,316	0
0	676,466	676,466	0
<u>12,098</u>	<u>937,420</u>	<u>1,503,209</u>	<u>79,781</u>
11	0	243,174	0
<u>11</u>	<u>0</u>	<u>243,174</u>	<u>0</u>
31,491	724,265	677,635	4,064
0	130,770	130,770	0
0	(235,269)	(235,269)	0
31,491	619,766	573,136	4,064
<u>6,407,755</u>	<u>1,139,028</u>	<u>31,518,169</u>	<u>156,590</u>
<u>\$ 6,439,246</u>	<u>\$ 1,758,794</u>	<u>32,091,305</u>	<u>\$ 160,654</u>
		573,136	
		(51,801)	
		22,862	
		<u>\$ 544,197</u>	

CITY OF XENIA, OHIO

***Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011***

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,232,103	\$3,636,213	\$1,987,060
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(814,013)	(1,856,247)	(1,342,801)
Cash Payments to Employees	(1,695,450)	(1,683,622)	(315,695)
Net Cash Provided (Used) by Operating Activities	722,640	96,344	328,564
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Advances to Other Funds	0	0	0
Intergovernmental Grants	0	0	0
Insurance Proceeds	0	0	0
Proceeds from Component Unit	0	0	0
Net Cash Used by Noncapital Financing Activities	0	0	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	172,220	0
Acquisition and Construction of Assets	(984,917)	(826,962)	(6,545)
Principal Paid on Loans	0	(637,377)	0
Interest Paid on All Debt	(33,387)	(211,635)	0
Capital Lease Payment	(48,871)	(48,871)	0
Loan Initiated	0	795,764	0
GO Bonds Initiated	54,559	54,559	5,585
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,012,616)	(702,302)	(960)
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	270,889	451,732	0
Purchase of Investments	0	0	(133,182)
Receipts of Interest	33,040	23,430	19,462
Net Cash Provided (Used) by Investing Activities	303,929	475,162	(113,720)
Net Decrease in Cash and Cash Equivalents	13,953	(130,796)	213,884
Cash and Cash Equivalents at Beginning of Year	1,382,093	1,321,785	728,863
Cash and Cash Equivalents at End of Year	\$1,396,046	\$1,190,989	\$942,747

CITY OF XENIA, OHIO

Storm Water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$331,044	\$58,613	\$9,245,033	\$0
0	0	0	835,042
(44,040)	(183,467)	(4,240,568)	(755,738)
(131,621)	(72,957)	(3,899,345)	(163,625)
155,383	(197,811)	1,105,120	(84,321)
0	21,500	21,500	0
0	0	0	(4,202)
0	34,000	34,000	0
0	0	0	79,406
0	527,778	527,778	0
0	583,278	583,278	75,204
0	228,650	400,870	0
0	(178,968)	(1,997,392)	0
0	0	(637,377)	0
0	0	(245,022)	0
0	0	(97,742)	0
0	0	795,764	0
5,585	0	120,288	0
5,585	49,682	(1,660,611)	0
0	69,877	792,498	34,555
(78,860)	(304,633)	(516,675)	(24,462)
5,091	4,488	85,511	0
(73,769)	(230,268)	361,334	10,093
87,199	204,881	389,121	976
179,891	186,600	3,799,232	54,423
\$267,090	\$391,481	\$4,188,353	\$55,399

(Continued)

CITY OF XENIA, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$99,974	(\$699,455)	\$210,832
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Depreciation Expense	483,020	857,896	6,853
Income - Other Nonoperating	54,070	96,130	145,066
Expense - Other Nonoperating	0	418,167	
<u>Changes in Assets and Liabilities:</u>			
Decrease in Principal Receivable	0	0	0
(Increase) Decrease in Accounts Receivable	37,661	104,280	(4,339)
(Increase) Decrease in Special Assessments Receivable	1,051	3,909	1,621
(Increase) Decrease in Prepaid Items	3,301	(955)	133
(Increase) Decrease in Inventory	(35,965)	2,866	0
Decrease in Landfill Liability	0	0	(37,229)
Increase (Decrease) in Accounts Payable	55,280	(710,874)	(3,143)
Increase (Decrease) in Accrued Payroll	4,340	4,419	3,131
Increase (Decrease) in Compensated Absences	19,908	19,961	5,639
Total Adjustments	622,666	795,799	117,732
Net Cash Provided (Used) by Operating Activities	<u>\$722,640</u>	<u>\$96,344</u>	<u>\$328,564</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2011 the water, sewer, sanitation, and stormwater funds had outstanding liabilities of \$762,802, \$6,272,534, \$5,585, and \$5,585 respectively, for the purchase of certain capital assets. The fair market value of investments increased in 2010 by \$2,829, \$2,413, \$1,910, \$541, and \$793 in the Water, Sewer, Sanitation, Stormwater, and Other Enterprise Funds respectively. The fair market value of investments increased in 2011 by \$112 in the internal service funds. The City did not utilize or receive \$79,850 originally included in an OWDA sewer loan. This resulted in a reduction in loan payable.

See accompanying notes to the basic financial statements

CITY OF XENIA, OHIO

Storm Water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$19,404	(\$213,155)	(\$582,400)	(\$75,717)
131,721	0	1,479,490	2,101
6,113	148,206	449,585	0
0	0	418,167	0
0	(141,787)	(141,787)	0
(7,235)	0	130,367	(1,018)
24	0	6,605	0
126	76	2,681	(1,678)
0	0	(33,099)	(9,326)
0	0	(37,229)	0
3,218	6,400	(649,119)	2,096
721	192	12,803	287
1,291	2,257	49,056	(1,066)
135,979	15,344	1,687,520	(8,604)
\$155,383	(\$197,811)	\$1,105,120	(\$84,321)

CITY OF XENIA, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2011***

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 196,475
Total Assets	<u>\$ 196,475</u>
Liabilities:	
Accounts payable	\$ 66,107
Restricted deposits	<u>130,368</u>
Total Liabilities	<u>\$ 196,475</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2011 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

The City's financial reporting entity had one component unit, the Xenia Economic Growth Corporation (XEGC). That component unit was dissolved in the 2011 fiscal year and did not exist at year end. The City's financial reporting entity includes all funds, agencies, boards and commissions that are part of the primary government, including the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, storm water, recreation, public improvements, planning and zoning, and general administrative services.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Xenia Economic Growth Corporation (XEGC) provided loan servicing and economic development services to the business community and to the City of Xenia. XEGC's administrative services were primarily funded by the City of Xenia. The amount of this funding for 2011 was \$145,333. XEGC's board was appointed by the City Council and XEGC was considered legally separate from the City. The City was legally entitled to access XEGC's resources and provided a majority of its funding, making XEGC fiscally dependent on the City. XEGC was dissolved on October 30, 2011 and the City assumed all of its assets and liabilities.

B. Basis of Presentation - Fund Accounting

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

The City reports the following major governmental funds:

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

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

Police and Fire Fund - This fund is used to account for financial resources related to the City's Police department, Fire department, and Dispatch center. Certain revenue sources are required by State law or City ordinance to be spent on these functions.

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

The City reports the following major proprietary funds:

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

Additionally, the City reports the following funds types:

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

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

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

C. Basis of Presentation – Financial Statements

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

D. Basis of Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Property taxes measurable as of December 31, 2011 but which are not intended to finance 2011 operations are recorded as unearned revenues.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

results with the budget. The major differences between the budget basis and the GAAP basis are:

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

The adjustments necessary to convert the results of operations for the year ended December 31, 2011 on the GAAP basis to the budget basis are as follows:

	Net Change in Fund Balances		
	General Fund	State Gas and Vehicle License Fund	Police & Fire Fund
GAAP Basis (as reported)	\$76,568	\$96,346	\$285,871
Revenue Accrual	(37,978)	5,600	(286,356)
Expenditure Accrual	10,292	(22,167)	98,718
Outstanding Encumbrances	(214,069)	(63,830)	(191,408)
Budget Basis	<u>(\$165,187)</u>	<u>\$15,949</u>	<u>(\$93,175)</u>

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from December 31, 2011. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account.

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. During 2011, the Capital Improvements Fund was allocated approximately \$26,347 of investment earnings in excess of the amount the fund would have received if earnings were based on each fund's share of pooled investment.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments (Continued)

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2011.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. Governmental prepaid items are equally offset by a fund balance classification that indicates they are not in spendable form.

J. Capital Assets and Depreciation

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

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

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

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

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

This space intentionally left blank.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	City Motor Vehicle License Tax Fund, General Capital Improvement Fund, Debt Service Fund, Water Fund, Sewer Fund, Sanitation Fund, Stormwater Fund
Loans Payable	Sewer Fund
Landfill Liability	Sanitation Fund
Compensated Absences	General Fund, State Gas and Vehicle License Fund, Police & Fire Fund, Law Enforcement Fund, Municipal Court Victim Fund, Water Fund, Sewer Fund, Sanitation Fund, Stormwater Fund, Parking Revenue Fund, Loan Trust Fund, Housing Rehabilitation Loan Fund, and Garage Fund
Capital Leases	Capital Improvements Fund, Police & Fire Fund, Municipal Court Capital Improvements Fund, Water Fund, and Sewer Fund

L. Compensated Absences

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

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

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

M. Net Assets

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets (Continued)

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.

N. Pensions

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

O. Interfund Activity

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

P. Fund Balance

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

1. Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.
2. Restricted Fund Balance - The restricted classification is used when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions (City Charter) or enabling legislation.
3. Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Xenia City Council. Constraints are imposed on committed amounts by Council through ordinance or resolution.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance (Continued)

4. Assigned Fund Balance - Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. City Council may assign certain amounts through a motion but has also delegated authority to the City's Appointed Officials to conduct City business which may include the assignment of fund balances.
5. Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from incurred expenditures for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

Q. Operating Revenues and Expenses

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

R. Estimates

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

S. Allocation of Indirect Expenses

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Provision for Loan Losses

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

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

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

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

<i>Capital Assets not reported in funds:</i>	
Capital Assets used in governmental activities	\$36,741,851
Total	<u>\$36,741,851</u>
<i>Other long-term assets not available to pay for current-period expenditures:</i>	
Delinquent Income Tax Revenue	\$875,748
Shared Revenues	935,335
Other Local Taxes	0
Delinquent Property Tax Revenue	0
Grant Revenues	15,731
Special Assessment Revenue	17,550
Charges for Services	32,414
Miscellaneous Revenue	4,068
Total	<u>\$1,880,846</u>
<i>Long-Term liabilities not reported in the funds:</i>	
General Obligation Bonds Payable	(\$1,803,712)
Accrued Interest on Long-Term Debt	(15,831)
Capital Leases Payable	(856,036)
Compensated Absences Payable- Government Activities	(1,791,343)
Total	<u>(\$4,466,922)</u>
<i>Amount of City Garage Internal Service fund applicable to government activities:</i>	
City Garage Fund Net Assets at year end	\$100,987
Portion of City Garage Fund allocated to business-type activities	(39,788)
Total	<u>\$61,199</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

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

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

Amount capital outlay exceeded depreciation in the current period:

Capital Outlay	\$2,782,522
Depreciation Expense	(1,287,330)
Total	<u>\$1,495,192</u>

Revenues that do not provide current financial resources:

Delinquent Income Tax Revenue	\$35,622
Local Shared Revenue	(2,398)
Shared Revenue	204,604
Delinquent Property Taxes	0
Special Assessment Revenue	(424)
Intergovernmental Grants	(67,015)
Charges for Services	30,284
Miscellaneous Revenues	(2,151)
Total	<u>\$198,522</u>

Expenses not requiring the use of current financial resources:

Compensated Absences	(\$124,332)
Supplies	(19,178)
Total	<u>(\$143,510)</u>

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

City Garage Internal Service Fund change in net assets	\$55,865
Portion of Internal Service fund change in net assets allocated to business type activities	(22,862)
Total	<u>\$33,003</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPAL AND RESTATEMENT OF FUND
BALANCE**

Change in Accounting Principles

For Fiscal Year 2011 the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” The Statement’s purpose is to enhance the usefulness of fund balance information by presenting clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. As a result of GASB 54 the City’s Recreation Fund is no longer reported as a separate fund. Transactions and balances related to the Recreation Fund are now reported and budgeted in the General Fund.

Restatement of Fund Balance

The implementation of GASB 54 had the following effects on fund balances of the following funds as they were previously reported.

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Fund Balance, December 31, 2010	\$2,042,832	\$2,521,306
GASB 54 Reclassifications	2,905	(2,905)
Fund Balance, December 31, 2010 - Restated	<u>\$2,045,737</u>	<u>\$2,518,401</u>

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CITY OF XENIA, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 4 – FUND BALANCES

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

Fund Balances	General	State Gas and Vehicle License	Police and Fire	Capital Improvements	Other Governmental Funds	Total
Nonspendable:						
Inventory	\$9,747	\$14,959	\$0	\$0	\$0	\$24,706
Prepays	49,297	3,795	43,395	0	78,414	174,901
Total Nonspendable	59,044	18,754	43,395	0	78,414	199,607
Restricted for:						
General Government	0	0	0	0	98,269	98,269
Public Safety	0	0	2,823,071	0	1,305,535	4,128,606
Highways & Streets	0	391,297	0	0	385,889	777,186
Capital Projects	0	0	0	558,370	420,491	978,861
Debt Service	0	0	0	0	59,811	59,811
Total Restricted	0	391,297	2,823,071	558,370	2,269,995	6,042,733
Committed to:						
General Governemnt	0	0	0	0	117,026	117,026
Total Committed	0	0	0	0	117,026	117,026
Assigned to:						
General Government	130,702	0	0	0	0	130,702
Public Safety	9,082	0	0	0	0	9,082
Highways & Streets	31,089	0	0	0	0	31,089
Urban Redevelopment and Housing	1,468	0	0	0	0	1,468
Recreation	16,260	0	0	0	0	16,260
Capital Projects	0	0	0	1,952,407	0	1,952,407
Total Assigned	188,601	0	0	1,952,407	0	2,141,008
Unassigned (Deficit)	1,872,104	0	0	0	0	1,872,104
Total Fund Balance	<u>\$2,119,749</u>	<u>\$410,051</u>	<u>\$2,866,466</u>	<u>\$2,510,777</u>	<u>\$2,465,435</u>	<u>\$10,372,478</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 5 – RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation. Expenditures related to certain functions have been grouped into different classifications to improve the presentation of activities. The following changes were made to classifications.

1. Eliminating the function “Community Development” and replacing it with “Urban Redevelopment & Housing” and “Economic Development & Assistance”
2. Reclassifying Planning as “General Government” rather than “Community Development”
3. Reclassifying Property Maintenance as “General Government” rather than “Health”
4. Certain expenditures in the Special Miscellaneous Improvement Fund once classified as “General Government” were reclassified as “Highways & Streets”

Expenditures reported on the Entity Wide Statements:

	Governmental Activities 2010 as Reported	Governmental Activities 2010 Reclassified
Expenses		
General Government	\$3,577,856	\$3,559,643
Public Safety	11,311,480	11,311,480
Health	306,963	258,706
Highways and Streets	1,801,149	1,842,334
Community Development	247,659	0
Urban Redevelopment & Housing	0	125,650
Economic Development & Assistance	0	147,294
Recreation	284,934	284,934
Debt Service:		
Interest and fiscal charges	104,977	104,977
Total	<u>\$17,635,018</u>	<u>\$17,635,018</u>

Expenditures reported on the Fund Statements:

	General Fund 2010 as Reported	General Fund 2010 Reclassified
Expenses		
General Government	\$2,680,427	\$2,850,693
Public Safety	0	0
Health	48,257	0
Highways and Streets	272,387	272,387
Community Development	248,432	0
Urban Redevelopment & Housing	0	126,423
Economic Development & Assistance	0	0
Recreation	167,728	167,728
Total	<u>\$3,417,231</u>	<u>\$3,417,231</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 6 – DEPOSITS AND INVESTMENTS

A. Deposits

At December 31, 2011, the carrying amount of the City cash deposits was \$7,292,125 and the bank balance was \$8,152,501. FDIC Insurance covered \$250,000, per insured bank, for each account ownership category.

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

B. Investments

The City's investments at December 31, 2011 are summarized below:

Investment Type	Total Fair Value	Credit Rating	Investment Maturities				
			Less than 6 Months	6 Months to 1 Year	1 - 3 Years	3 - 5 Years	11-27 Years
FFCB	\$508,768	AAA	\$443,681	\$65,087	\$0	\$0	\$0
FHLB	3,534,165	AAA	468,043	848,174	65,596	2,152,352	0
FHLMC	2,002,967	AAA	35,259	55,497	352,251	1,353,557	206,403
FNMA	3,357,431	AAA	125,744	61,525	785,919	2,236,436	147,807
STAR OHIO	8,900	AAA	8,900	0	0	0	0
Money Market Funds	1,832,496	Unrated	1,832,496	0	0	0	0
Total Investments	\$11,244,727		\$2,914,123	\$1,030,283	\$1,203,766	\$5,742,345	\$354,210

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 6 – DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of a depository institution or counterparty to a transaction, the City will be unable to recover the value of deposits, investments, or collateral securities in the possession of an outside party. At December 31, 2011, the City's deposits and investments, including the collateral on lent securities, had no exposure to custodial credit risk. The City does not have a policy to limit custodial credit risk.

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

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The City Investment policy allows fund managers to invest in only the following Instruments: (1) Treasury Bills and Treasury Notes and Bonds; (2) Obligations of Federal Agencies and Instrumentalities; (3) Non Negotiable Interest Bearing Time Certificates of Deposit and Savings Accounts; (4) Bankers Acceptances of banks in top 100 based on asset size, or Ohio based banks with at least \$2 billion in assets; (5) Commercial paper rated at least A-1/P-1; (6) Star Ohio; (7) No load money market mutual funds consisting exclusively of obligations listed in 5 and 6; (8) Repurchase Agreements under terms in the policy; (9) NOW accounts; (10) and insured obligations of the State of Ohio and its political subdivisions. As of December 31, 2011, 100% of the City's portfolio was invested in AAA rated securities.

Concentration of Credit Risk – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The City portfolio must be invested in more than one type of financial instrument, in more than one financial institution, and at different maturity lengths according to cash flow needs. At December 31, 2011, the City had no concentration of credit risk.

NOTE 7 - TAXES

A. Property Taxes

Property taxes consist of amounts levied against real and tangible property (used in business) located in the City. Real property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. Property values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2010.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 7 - TAXES (Continued)

A. Property Taxes (Continued)

The property tax calendar is as follows:

Levy date	January 1, 2010
Lien date	January 1, 2011
First installment payment due	February 18, 2011
Second installment payment due	July 22, 2011

The assessed values upon which 2011 tax receipts were based, are as follows:

	<u>Assessed Values</u> <u>January 1, 2010</u>
Real Estate	\$394,588,410
Tangible Personal	344,970
Total	<u><u>\$394,933,380</u></u>

The County Treasurer collects property taxes on behalf of taxing districts in Greene County, including the City of Xenia. Property taxes may be paid in full on February 18th or one-half on February 18th and July 22nd. The County Auditor remits to the City, in April and August, its portion of taxes collected.

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

An additional property tax levy of 3.5 mills was renewed by a vote of the citizens of Xenia in November, 2009. The additional levy is for five years, to be assessed for tax-duplicate years 2009 to 2013, and collected in the fiscal years 2010 through 2014.

B. Income Tax

For the 2011 fiscal year the City collected income taxes at a rate of 2.25%. A 1.5% credit was allowed for those who work in another community and pay taxes to other municipalities on that income. In November of 2010 the City passed a ballot initiative to increase the City's income tax rate from 1.75% to 2.25% effective January 1, 2011. The credit to other municipalities was not changed. Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 8 – LOANS RECEIVABLE

The City operates three long-term enterprise fund loan programs. These three include the loan fund, the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) revolving loan fund, and the housing rehabilitation loan fund. Loans once held by the Xenia Economic Growth Corporation are now accounted for in the City loan fund.

Loans receivable at December 31, 2011 were:

Loan Type	C.D.B.G Revolving Loan Fund	Loan Fund	Housing Rehabilitation Loan Fund
Down payment assistance loans	\$0	\$0	\$3,093
Mortgage grants	0	0	53,850
Rehabilitation loans	0	0	298,609
Façade Loans	38,585	0	22,273
Homelessness Prevention Loans	0	0	8,807
Economic development loans	0	151,011	0
Total Loans receivable	\$38,585	\$151,011	\$386,632

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

Loan Fund - In 1983, the City assumed the assets, liabilities and loan commitments of Xenia Environmental Neighborhood Improvement Association, Inc. (X.E.N.I.A., Inc.). X.E.N.I.A., Inc. provided mortgage grants and low or zero interest loans to encourage economic and neighborhood development. The City no longer issues mortgage grants from this fund. The City also assumed the assets, liabilities, and loan commitments of its component unit (Xenia Economic Development Corporation) in 2011 when the corporation was dissolved. Loans previously managed and issued by X.E.G.C. are now administered through the loan fund.

Housing Rehabilitation Loan Fund – In December of 2009, the City received notice that it had been awarded a Tier II Downtown Building and Streetscape Grant. These grant dollars are required to be spent on downtown Xenia. Projects related to these grant dollars include the improvement of downtown buildings through a façade loan program, improvements to two municipal parking lots, curb and sidewalk improvements, the painting of several murals, and wayfinding and gateway signage. In September of 2006 the City was awarded a Community Housing Improvement Program (CHIP) Grant in the amount of \$556,000. The grant includes homelessness prevention, private rehabilitation, home or building repair, private rental rehab, fair housing, and general administration activities. The first expenditures related to this grant were made in 2007. The City was also awarded a \$600,000 CHIP Grant in August, 1998 which ended in 2001. The program had similar activities to the 2006 grant as it offered deferred loans, direct low interest loans or a combination thereof with various payoff dates. Some delinquencies from previous housing rehabilitation programs remain outstanding.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2011:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$5,391,500
Police and Fire Fund	5,250,000	0
State Gas and Vehicle License Fund	50,000	0
Other Governmental Funds	70,000	0
Total Governmental Funds	5,370,000	5,391,500
Enterprise Funds		
Other Enterprise Funds	130,770	235,269
Total Enterprise Funds	130,770	235,269
Total Transfers	\$5,500,770	\$5,626,769

There was one transfer from the General Fund to Other Governmental Funds. That transfer was to support operations in the Municipal Court Victim Fund. The transfer from the General Fund to the Police and Fire Fund was to support operations related to those public safety functions, and the transfer from the General Fund to the State Gas and Vehicle License Fund was to support operations related to street improvements and maintenance. The transfer from the General Fund to the Other Enterprise Funds was to supplement operations in the Parking Revenue Fund. There were also transfers of Capital assets between various funds. \$109,270 was transferred between Other Enterprise Funds. A transfer of capital assets in the amount of \$125,999 from enterprise funds to governmental activities explains the imbalance between transfers in and transfers out. The transfer out was recognized in the enterprise fund but no transfer in was recognized by the governmental fund on the fund statements. However, the transfer is recognized on the entity-wide statements for both governmental activities and business-type.

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2011 were as follows:

	Interfund Receivable	Interfund Payable
Governmental Funds:		
Capital Improvements Fund	\$31,853	\$0
Internal Service Funds:		
City Garage Fund	0	31,853

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Capital assets not being depreciated:				
Land	\$16,220,607	\$0	(\$10,320)	\$16,210,287
Construction in Progress	685,664	1,371,022	(430,923)	1,625,763
Subtotal	16,906,271	1,371,022	(441,243)	17,836,050
Capital assets being depreciated:				
Land improvements	1,343,845	901,349	0	2,245,194
Buildings and improvements	6,741,464	74,594	0	6,816,058
Machinery and Equipment	8,229,976	320,492	(30,612)	8,519,856
Infrastructure	15,247,920	671,987	(156,499)	15,763,408
Subtotal	31,563,205	1,968,422	(187,111)	33,344,516
Total Cost	\$48,469,476	\$3,339,444	(\$628,354)	\$51,180,566

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Land improvements	(\$708,299)	(\$46,396)	\$0	(\$754,695)
Buildings and improvements	(2,676,570)	(176,077)	0	(2,852,647)
Machinery and Equipment	(4,306,389)	(652,762)	30,612	(4,928,539)
Infrastructure	(5,584,932)	(414,196)	128,147	(5,870,981)
Total Depreciation	(\$13,276,190)	(\$1,289,431) *	\$158,759	(\$14,406,862)
Net Value:	\$35,193,286			\$36,773,704

* Depreciation expenses were charged to governmental functions as follows:

General Government	\$234,872
Public Safety	435,966
Highways and Streets	502,908
Community Development	14,397
Recreation	99,187
Health	0
Total Depreciation Expense recorded within the Governmental Activities	1,287,330
Amount of Depreciation Expense recorded in the Internal Service Fund	2,101
Total Additions to Accumulated Depreciation	\$1,289,431

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 11 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Capital assets not being depreciated:				
Land	\$484,280	\$0	\$0	\$484,280
Construction in Progress	2,646,855	799,376	(2,482,352)	963,879
Subtotal	3,131,135	799,376	(2,482,352)	1,448,159
Capital assets being depreciated:				
Land improvements	448,997	235,769	(109,999)	574,767
Buildings and improvements	8,347,364	1,520,781	(16,000)	9,852,145
Machinery and Equipment	51,215,065	1,507,618	(25,960)	52,696,723
Total Cost	\$63,142,561	\$4,063,544	(\$2,634,311)	\$64,571,794

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Land Improvements	(\$282,088)	(\$11,886)	\$0	(\$293,974)
Buildings and Improvements	(4,957,689)	(179,106)	0	(5,136,795)
Machinery and Equipment	(28,701,957)	(1,288,498)	25,960	(29,964,495)
Total Depreciation	(\$33,941,734)	(\$1,479,490)	\$25,960	(\$35,395,264)
Net Value:	\$29,200,827			\$29,176,530

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

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

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statements No. 45, “Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension” and No. 27, “Accounting for Pensions by State and Local Government Employers”.

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS:

1. The Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, making a written request to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan.

The 2011 member contribution rate for City employees was 10.00% of covered payroll. The 2011 employer contribution rate was 14.00% of covered payroll. Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from employer records.

The City’s contributions to OPERS for the years ended December 31, 2011, 2010 and 2009 were \$650,210, \$560,033, and \$552,262, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2011, 2010, and 2009 were \$394,554 \$360,923 and \$380,855 for police and \$504,240, \$424,088 and \$452,462 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 13 – POSTEMPLOYMENT BENEFITS

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 13 – POSTEMPLOYMENT BENEFITS (Continued)

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

Funding Policy - The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care benefits. Employer Contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, local government employers contributed at a rate of 14% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14% of covered payroll for local government employers. Active members do not make contributions to OPEB plan.

The OPERS Postemployment Health Care Plan was established under, and is administered in accordance with Internal Revenue Code 401 (h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment Health Care benefits. The employer contribution allocated to health care for those in the traditional plan was 4.0% for calendar year. For members of the combined plan the portion was 6.05% during 2011. The portion of employer contributions allocated to health care for the year beginning January 1, 2012 remained the same, but are subject to change based on Board action. The OPERS Board of Trustees 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, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's Contributions for health care to the OPERS for the years ending December 31, 2011, 2010, and 2009 were \$260,066, \$318,684, and \$396,343, respectively, which were equal to the required contributions for each year.

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

B. Ohio Police and Fire Fund (“OP&F”)

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 13 – POSTEMPLOYMENT BENEFITS (Continued)

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

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is provided in chapter 742 of the ORC.

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

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

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 administered as an Internal Revenue Code 401 (h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the section 115 trust and the section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011 the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees is also 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 coverage selected.

The City’s Contributions for health care to the OP&F for the years ending December 31, 2011, 2010, and 2009, were \$208,740, \$190,947, and \$201,492 for police and \$197,067, \$165,742, and \$176,831 for firefighters, respectively, which were equal to the required contributions for each year.

The number of OP&F participants eligible to receive health care benefits as of 12/30/2010, the date of the last actuarial valuation, was 15,013 for Police and 11,061 for Firefighters. OP&F’s total health care expense for the year ended 12/31/2010 was \$159,913,915, which was net of member contributions of \$58,923,329.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2011 were as follows:

			Balance December 31, 2010	Additions	(Reductions)	Balance December 31, 2011	Due Within One Year
Business-Type Activities:							
Loans Payable:							
3.04%	Sewer Loan Payable	1993	\$178,220	\$0	(\$178,220)	\$0	\$0
2.79%	Sewer Loan Payable	1999	4,165,369	0	(388,643)	3,776,726	399,561
3.25%	Sewer Loan Payable	2010	1,883,371	0	(150,364)	1,733,007	72,825
	Total Loans Payable		6,226,960	0	(717,227)	5,509,733	472,386
	Capital Leases		1,514,227	0	(97,742)	1,416,485	102,171
2.16%	General Obligation Bond Payable		0	120,288	0	120,288	10,904
	Landfill Liability		993,867	8,533	(45,762)	956,638	45,000
	Compensated Absences		405,524	454,580	(405,524)	454,580	43,125
	Total Business Type Activities		<u>\$9,140,578</u>	<u>\$583,401</u>	<u>(\$1,266,255)</u>	<u>\$8,457,724</u>	<u>\$673,586</u>
Governmental Activities Long-Term Debt:							
	2.00- 3.10%						
	General Obligation Bond Payable	2010	\$920,000	\$0	(\$70,000)	\$850,000	\$75,000
	2.16%						
	General Obligation Bond Payable	2011	0	953,712	0	\$953,712	86,464
	Capital Leases Payable		1,219,167	0	(363,131)	856,036	377,356
	Compensated Absences		1,693,036	1,816,302	(1,693,036)	1,816,302	74,790
	Total Governmental Activities		<u>\$3,832,203</u>	<u>\$2,770,014</u>	<u>(\$2,126,167)</u>	<u>\$4,476,050</u>	<u>\$613,610</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and Interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

Years	General Obligation Bond		Sewer Loans Payable	
	Principal	Interest	Principal	Interest
2012	\$172,368	\$44,736	\$472,386	\$160,934
2013	174,473	40,295	485,998	147,322
2014	201,621	36,397	500,003	133,317
2015	203,816	32,202	514,413	118,907
2016	206,059	27,709	529,240	104,080
2017	208,350	22,793	544,496	88,825
2018-2022	757,313	38,859	1,676,287	234,906
2023-2027	0	0	554,266	101,515
2028-2030	0	0	232,644	14,349
Totals	<u>\$1,924,000</u>	<u>\$242,991</u>	<u>\$5,509,733</u>	<u>\$1,104,155</u>

B. General Obligation Bond

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

C. Conduit Debt

On June 22, 2007, Xenia City Council approved the City to act as a conduit issuer of Legacy Village Healthcare Facilities, Inc. tax-exempt lease obligations to refund debt issued for the construction of an assisted living facility located within the City of Xenia. The City's involvement allowed Legacy Village to be given tax-exempt status thus making them eligible for a lower interest rate for financing. A master lease-purchase and sub-lease agreement was executed in an amount not to exceed \$2,500,000 by Fifth Third Bank as lessor, the City of Xenia as lessee, and Legacy Village Healthcare Facilities, Inc. as Sub lessee. The final amount of the conduit debt was \$2,090,050. These lease obligations were payable solely from revenue sources provided by Legacy Village and did not pledge the full faith and credit of the City nor impact the City's debt limitations. On February 3, 2011 the sublessee paid off the obligation in full. As of December 31, 2011, there is no conduit debt outstanding.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 15 – LEASES

A. Capital Leases

Under capital leases the City has leases for a medic unit, a ladder truck, a fire pumper, a communication center, a building security system, an HVAC system, automated meter reading upgrades, Self Contained Breathing Apparatus, and an upgrade to the phone system. The cost of these capital leases are related to Governmental Activities capital assets with the exception of the automated meter reading project which can be attributed to the Business Activities. The related liabilities are included in amounts due within one year and amounts due in more than one year. The original cost of the assets acquired under capital lease was \$4,400,252 and the book value at December 31, 2011 was \$2,173,122. The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2011:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2012	\$409,351	\$164,516
2013	257,428	164,516
2014	113,847	164,516
2015	93,350	164,516
2016	46,675	164,516
2017-2022	<u>0</u>	<u>987,091</u>
Minimum Lease Payments	920,651	1,809,671
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(64,615)</u>	<u>(393,186)</u>
Present value of minimum lease payments	<u><u>\$856,036</u></u>	<u><u>\$1,416,485</u></u>

B. Operating Leases

The City leases office space, machinery and equipment, janitorial and cleaning services and parking lots under operating agreements that expire at various dates through 2016. Payments on operating leases were \$91,778 during 2011. The following is a schedule of future minimum rental payments of non-cancellable operating leases:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	71,525
2012	18,476
2013	17,628

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 16 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In 1991, the City stopped accepting waste at the City of Xenia Landfill. EPA required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. At December 31, 2011 the City's accrued liability (per GASB 18) for post-closure costs related to the closed City landfill is \$956,638. These costs are funded by a component of the city Sanitation rate. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables.

NOTE 17 - RISK MANAGEMENT

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

NOTE 18 - CONTINGENCIES

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

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

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Indigent Driver Alcohol Treatment Fund

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

Law Enforcement and Education Fund

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

State Route Repair Fund

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

City Motor Vehicle License Tax Fund

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

County Motor Vehicle License Tax Fund

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

Special Miscellaneous Improvements Fund

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

Tax Increment Equivalent Fund

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

(Continued)

Special Revenue Funds

911 Fund

To account for 911 surcharges related to wireless communications. Uses are restricted by state law to designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining various aspects of the communication center.

Law Enforcement Fund

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

Drug Law Enforcement Fund

To account for drug offenses, fines and bond forfeitures.

Municipal Court Victim Fund

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

Debt Service Fund

Debt Service Fund

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

Capital Projects Funds

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

Municipal Court Capital Improvements Fund

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

Issue II Fund

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

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 817,287	\$ 25,579	\$ 179,757	\$ 1,022,623
Investments	1,090,721	34,137	239,897	1,364,755
Receivables:				
Taxes, including interest, penalties and liens	68,000	66,979	0	134,979
Intergovernmental	616,655	9,894	0	626,549
Accounts	20,658	0	0	20,658
Accrued interest	4,278	121	1,065	5,464
Grants	8,379	0	8,314	16,693
Prepaid items	43,267	0	35,147	78,414
Total Assets	\$ 2,669,245	\$ 136,710	\$ 464,180	\$ 3,270,135
Liabilities:				
Accounts payable	\$ 30,204	\$ 0	\$ 8,314	\$ 38,518
Accrued payroll	15,528	0	0	15,528
Deferred revenue	673,527	76,899	228	750,654
Total Liabilities	719,259	76,899	8,542	804,700
Fund Balances:				
Nonspendable Fund balance				
Prepaid items	43,267	0	35,147	78,414
Restricted Fund Balance	1,789,693	59,811	420,491	2,269,995
Committed Fund Balance	117,026	0	0	117,026
Total Fund Balances	1,949,986	59,811	455,638	2,465,435
Total Liabilities and Funds Balances	\$ 2,669,245	\$ 136,710	\$ 464,180	\$ 3,270,135

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Other local taxes	\$ 43,116	\$ 70,786	\$ 0	\$ 113,902
State shared taxes and permits	217,080	14,941	0	232,021
Intergovernmental grants	88,524	0	849,619	938,143
Fines, costs, forfeitures, licenses and permits	220,070	0	86,776	306,846
Miscellaneous receipts and reimbursements, including interest	198,073	507	4,745	203,325
Total Revenue	766,863	86,234	941,140	1,794,237
Expenditures:				
Current:				
General government	233,962	0	0	233,962
Public safety	100,469	628	0	101,097
Highways and streets	108,118	2,585	0	110,703
Urban redevelopment and housing	14,460	0	0	14,460
Economic development and assistance	144,324	0	0	144,324
Capital outlay	267,839	0	930,479	1,198,318
Debt service:				
Principal retirement	25,000	45,000	17,809	87,809
Interest and fiscal charges	7,933	16,311	2,286	26,530
Total Expenditures	902,105	64,524	950,574	1,917,203
Excess (deficiency) of revenues over expenditures	(135,242)	21,710	(9,434)	(122,966)
Other financing sources (uses):				
Transfers in	70,000	0	0	70,000
Total other financing sources (uses)	70,000	0	0	70,000
Net change in fund balances	(65,242)	21,710	(9,434)	(52,966)
Fund Balances at Beginning of Year	2,015,228	38,101	465,072	2,518,401
Fund Balances End of Year	\$ 1,949,986	\$ 59,811	\$ 455,638	\$ 2,465,435

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax	County Motor Vehicle License Tax
Assets:					
Cash and cash equivalents	\$ 135,364	\$ 12,631	\$ 61,219	\$ 93,310	\$ 13,116
Investments	180,653	16,856	81,699	124,526	17,504
Receivables:					
Taxes, including interest, penalties and liens	0	0	0	0	0
Intergovernmental	0	0	42,161	90,176	484,318
Accounts	4,547	0	0	0	0
Accrued interest	806	78	336	626	76
Grants	0	0	0	0	0
Prepaid items	25,000	0	111	0	0
Total Assets	\$ 346,370	\$ 29,565	\$ 185,526	\$ 308,638	\$ 515,014
Liabilities:					
Accounts payable	\$ 0	\$ 0	\$ 317	\$ 21,293	\$ 0
Accrued payroll	0	0	0	0	0
Deferred revenue	173	17	26,924	90,310	484,334
Total Liabilities	173	17	27,241	111,603	484,334
Fund Balances:					
Nonspendable Fund Balance					
Prepaid items	25,000	0	111	0	0
Restricted Fund Balance	321,197	29,548	158,174	197,035	30,680
Committed Fund Balance	0	0	0	0	0
Total Fund Balances	346,197	29,548	158,285	197,035	30,680
Total Liabilities and Funds Balances	\$ 346,370	\$ 29,565	\$ 185,526	\$ 308,638	\$ 515,014

CITY OF XENIA, OHIO

Special Miscellaneous Improvements	Tax Increment Equivalent	911 Fund	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 52,653	\$ 29,014	\$ 184,638	\$ 203,010	\$ 17,061	\$ 15,271	\$ 817,287
70,268	38,722	246,414	270,931	22,768	20,380	1,090,721
0	68,000	0	0	0	0	68,000
0	0	0	0	0	0	616,655
0	0	16,111	0	0	0	20,658
0	0	1,005	1,183	102	66	4,278
0	0	0	0	0	8,379	8,379
0	0	6,916	10,500	0	740	43,267
<u>\$ 122,921</u>	<u>\$ 135,736</u>	<u>\$ 455,084</u>	<u>\$ 485,624</u>	<u>\$ 39,931</u>	<u>\$ 44,836</u>	<u>\$ 2,669,245</u>
\$ 3,782	\$ 1,072	\$ 0	\$ 3,671	\$ 0	\$ 69	\$ 30,204
2,113	2,578	4,272	0	0	6,565	15,528
0	68,000	215	253	22	3,279	673,527
<u>5,895</u>	<u>71,650</u>	<u>4,487</u>	<u>3,924</u>	<u>22</u>	<u>9,913</u>	<u>719,259</u>
0	0	6,916	10,500	0	740	43,267
0	64,086	443,681	471,200	39,909	34,183	1,789,693
117,026	0	0	0	0	0	117,026
<u>117,026</u>	<u>64,086</u>	<u>450,597</u>	<u>481,700</u>	<u>39,909</u>	<u>34,923</u>	<u>1,949,986</u>
<u>\$ 122,921</u>	<u>\$ 135,736</u>	<u>\$ 455,084</u>	<u>\$ 485,624</u>	<u>\$ 39,931</u>	<u>\$ 44,836</u>	<u>\$ 2,669,245</u>

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011**

	Indigent Driver Alcohol Treatment	Law Enforcement and Education	State Route Repair	City Motor Vehicle License Tax	County Motor Vehicle License Tax
Revenues:					
Other local taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State shared taxes and permits	0	0	77,806	139,274	0
Intergovernmental grants	0	0	0	0	0
Fines, costs, forfeitures, licenses and permits	41,495	1,117	0	0	0
Miscellaneous receipts and reimbursements, including interest	3,551	322	1,389	3,257	112
Total Revenue	45,046	1,439	79,195	142,531	112
Expenditures:					
Current:					
General government	53,607	0	0	0	0
Public safety	0	3,841	0	0	0
Highways and streets	0	0	58,592	0	0
Urban redevelopment and housing	0	0	0	0	0
Economic development and assistance	0	0	0	0	0
Capital outlay	0	0	0	221,152	0
Debt service:					
Principal retirement	0	0	0	25,000	0
Interest and fiscal charges	0	0	0	7,933	0
Total Expenditures	53,607	3,841	58,592	254,085	0
Excess (deficiency) of revenues over expenditures	(8,561)	(2,402)	20,603	(111,554)	112
Other financing sources (uses):					
Transfers in	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0
Net Change in Fund Balances	(8,561)	(2,402)	20,603	(111,554)	112
Fund Balances at Beginning of Year	354,758	31,950	137,682	308,589	30,568
Fund Balances End of Year	\$ 346,197	\$ 29,548	\$ 158,285	\$ 197,035	\$ 30,680

CITY OF XENIA, OHIO

Special Miscellaneous Improvements	Tax Increment Equivalent	911 Fund	Law Enforcement	Drug Law Enforcement	Municipal Court Victim	Total Nonmajor Special Revenue Funds
\$ 0	\$ 43,116	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,116
0	0	0	0	0	0	217,080
0	0	0	12,288	0	76,236	88,524
0	0	141,503	0	1,752	34,203	220,070
97,191	1,273	4,546	85,802	463	167	198,073
97,191	44,389	146,049	98,090	2,215	110,606	766,863
0	2,304	0	0	0	178,051	233,962
0	0	71,153	22,624	2,851	0	100,469
48,454	1,072	0	0	0	0	108,118
14,460	0	0	0	0	0	14,460
0	144,324	0	0	0	0	144,324
0	0	0	46,687	0	0	267,839
0	0	0	0	0	0	25,000
0	0	0	0	0	0	7,933
62,914	147,700	71,153	69,311	2,851	178,051	902,105
34,277	(103,311)	74,896	28,779	(636)	(67,445)	(135,242)
0	0	0	0	0	70,000	70,000
0	0	0	0	0	70,000	70,000
34,277	(103,311)	74,896	28,779	(636)	2,555	(65,242)
82,749	167,397	375,701	452,921	40,545	32,368	2,015,228
\$ 117,026	\$ 64,086	\$ 450,597	\$ 481,700	\$ 39,909	\$ 34,923	\$ 1,949,986

CITY OF XENIA, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011**

	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
Assets:			
Cash and cash equivalents	\$ 179,364	\$ 393	\$ 179,757
Investments	239,373	524	239,897
Receivables:			
Accrued interest	1,065	0	1,065
Grants	0	8,314	8,314
Prepaid items	35,147	0	35,147
Total Assets	<u>\$ 454,949</u>	<u>\$ 9,231</u>	<u>\$ 464,180</u>
Liabilities:			
Accounts payable	\$ 0	\$ 8,314	\$ 8,314
Deferred revenue	228	0	228
Total Liabilities	<u>228</u>	<u>8,314</u>	<u>8,542</u>
Fund Balances:			
Nonspendable Fund Balance			
Prepaid items	35,147	0	35,147
Restricted Fund Balance	419,574	917	420,491
Total Fund Balances	<u>454,721</u>	<u>917</u>	<u>455,638</u>
Total Liabilities and Funds Balances	<u>\$ 454,949</u>	<u>\$ 9,231</u>	<u>\$ 464,180</u>

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Municipal Court Capital Improvements	Issue II	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental grants	\$ 0	\$ 849,619	\$ 849,619
Fines, costs, forfeitures, licenses and permits	86,776	0	86,776
Miscellaneous receipts and reimbursements, including interest	4,743	2	4,745
Total Revenue	<u>91,519</u>	<u>849,621</u>	<u>941,140</u>
Expenditures:			
Capital outlay	80,860	849,619	930,479
Debt service:			
Principal retirement	17,809	0	17,809
Interest and fiscal charges	2,286	0	2,286
Total Expenditures	<u>100,955</u>	<u>849,619</u>	<u>950,574</u>
Net change in fund balances	(9,436)	2	(9,434)
Fund Balances at Beginning of Year	<u>464,157</u>	<u>915</u>	<u>465,072</u>
Fund Balances End of Year	<u>\$ 454,721</u>	<u>\$ 917</u>	<u>\$ 455,638</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 4,555,691	\$ 4,555,691	\$ 4,565,655	\$ 9,964
Other Local Taxes	1,200,000	1,200,000	1,238,394	38,394
State Shared Taxes and Permits	1,904,641	1,924,641	1,899,336	(25,305)
Intergovernmental Grants	125,000	125,000	125,167	167
Charges for Services	47,600	47,600	30,494	(17,106)
Fines, Costs, Forfeitures, Licenses and Permits	1,153,604	1,153,604	1,043,441	(110,163)
Miscellaneous Receipts and Reimbursements, Including Interest	336,721	341,221	355,415	14,194
Total Revenues	<u>9,323,257</u>	<u>9,347,757</u>	<u>9,257,902</u>	<u>(89,855)</u>
Expenditures:				
General Government:				
City Council and General Government:				
Personnel Services	32,591	32,591	32,548	43
General Operating Expenses	11,050	11,131	10,881	250
Contractual Services	123,213	123,883	100,523	23,360
Materials and Supplies	4,000	4,000	1,398	2,602
Contributions	90,366	92,016	90,426	1,590
Total City Council and General Government	<u>261,220</u>	<u>263,621</u>	<u>235,776</u>	<u>27,845</u>
Municipal Court:				
Personnel Services	1,312,147	1,312,147	1,310,897	1,250
General Operating Expenses	26,749	26,199	16,964	9,235
Contractual Services	184,434	188,017	173,203	14,814
Materials and Supplies	28,605	29,309	23,085	6,224
Contributions	52,621	52,621	24,453	28,168
Total Municipal Court	<u>1,604,556</u>	<u>1,608,293</u>	<u>1,548,602</u>	<u>59,691</u>
City Law Department:				
Personnel Services	136,684	137,668	137,664	4
General Operating Expenses	3,005	2,789	1,998	791
Contractual Services	16,893	16,824	15,588	1,236
Materials and Supplies	5,490	6,081	4,129	1,952
Total City Law Department	<u>162,072</u>	<u>163,362</u>	<u>159,379</u>	<u>3,983</u>

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Manager's Office:				
Personnel Services	101,408	101,408	100,886	522
General Operating Expenses	5,170	5,170	2,644	2,526
Contractual Services	6,706	6,710	5,566	1,144
Materials and Supplies	5,850	5,850	1,099	4,751
Total City Manager's Office	119,134	119,138	110,195	8,943
Personnel Office:				
Personnel Services	20,697	20,697	20,593	104
General Operating Expenses	4,305	4,305	745	3,560
Contractual Services	90,523	110,448	95,252	15,196
Materials and Supplies	8,235	8,235	3,423	4,812
Total Personnel Office	123,760	143,685	120,013	23,672
Finance Office:				
Personnel Services	76,501	76,501	75,826	675
General Operating Expenses	850	850	633	217
Contractual Services	55,380	56,249	50,827	5,422
Materials and Supplies	7,740	7,016	3,885	3,131
Total Finance Office	140,471	140,616	131,171	9,445
Income Tax:				
Personnel Services	251,167	251,167	248,521	2,646
General Operating Expenses	7,425	7,650	4,059	3,591
Contractual Services	71,376	81,370	56,837	24,533
Materials and Supplies	13,525	14,377	9,335	5,042
Total Income Tax	343,493	354,564	318,752	35,812
Municipal Building and General Services:				
Contractual Services	184,523	191,327	166,781	24,546
Materials and Supplies	4,600	5,579	4,627	952
Total Municipal Building and General Services	189,123	196,906	171,408	25,498

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Data Processing:				
Personnel Services	30,364	40,647	40,646	1
General Operating Expenses	3,000	4,880	4,880	0
Contractual Services	155,796	161,078	158,015	3,063
Materials and Supplies	42,200	37,683	35,744	1,939
Total Data Processing	231,360	244,288	239,285	5,003
Clerk of City Council:				
Personnel Services	23,477	27,477	25,473	2,004
General Operating Expenses	235	95	0	95
Contractual Services	26,308	22,449	16,290	6,159
Materials and Supplies	4,565	4,565	1,756	2,809
Total Clerk of City Council	54,585	54,586	43,519	11,067
Volunteer Program:				
General Operating Expenses	3,225	3,225	0	3,225
Contractual Services	690	690	0	690
Materials and Supplies	1,800	1,800	112	1,688
Total Volunteer Program	5,715	5,715	112	5,603
Public Affairs and CATV:				
Personnel Services	1,269	1,289	1,287	2
General Operating Expenses	1,325	225	0	225
Contractual Services	10,250	11,912	11,911	1
Materials and Supplies	2,500	1,958	1,922	36
Total Public Affairs and CATV	15,344	15,384	15,120	264
Property Maintenance:				
Personnel Services	30,331	30,519	30,518	1
General Operating Expenses	560	560	145	415
Contractual Services	43,138	43,173	20,112	23,061
Materials and Supplies	2,650	2,752	1,230	1,522
Total Property Maintenance	76,679	77,004	52,005	24,999

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Planning:				
Personnel Services	77,611	78,776	78,773	3
General Operating Expenses	3,480	3,480	1,843	1,637
Contractual Services	66,655	66,739	63,448	3,291
Materials and Supplies	1,250	1,402	768	634
Total Planning	148,996	150,397	144,832	5,565
Total General Government	3,476,508	3,537,559	3,290,169	247,390
Public Safety:				
Civil Defense:				
Contractual Services	23,950	24,039	23,246	793
Materials and Supplies	500	500	0	500
Total Civil Defense	24,450	24,539	23,246	1,293
Engineering:				
Personnel Services	54,451	58,137	58,132	5
General Operating Expenses	2,350	2,350	470	1,880
Contractual Services	79,626	95,295	41,731	53,564
Materials and Supplies	5,175	5,875	4,070	1,805
Total Engineering	141,602	161,657	104,403	57,254
Construction Inspection:				
Personnel Services	34,640	38,602	38,599	3
General Operating Expenses	1,400	1,400	110	1,290
Contractual Services	11,560	11,561	7,609	3,952
Materials and Supplies	3,200	3,200	1,309	1,891
Total Construction Inspection	50,800	54,763	47,627	7,136
Total Public Safety	216,852	240,959	175,276	65,683
Economic Development & Assistance:				
Personnel Services	0	2,940	1,951	989
Total Economic Development & Assistance	0	2,940	1,951	989

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Urban Redevelopment and Housing:				
Personnel Services	113,304	113,304	106,850	6,454
General Operating Expenses	600	600	35	565
Contractual Services	17,823	18,218	11,981	6,237
Materials and Supplies	2,165	1,896	1,267	629
Total Urban Redevelopment & Housing	133,892	134,018	120,133	13,885
Economic Development and Assistance:				
Personnel Services	0	2,940	1,951	989
Total Economic Development and Assistance	0	2,940	1,951	989
Recreation:				
Parks and Recreation:				
Personnel Services	0	8,616	8,615	1
Total Parks and Recreation	0	8,616	8,615	1
Xenia Station:				
Contractual Services	11,195	13,118	11,149	1,969
Materials and Supplies	6,325	5,625	4,257	1,368
Total Xenia Station	17,520	18,743	15,406	3,337
Farmers Market:				
Contractual Services	3,000	3,000	0	3,000
Total Farmers Market	3,000	3,000	0	3,000
General Park Maintenance:				
Personnel Services	70,250	70,250	53,496	16,754
General Operating Expenses	400	875	715	160
Contractual Services	85,313	86,165	69,922	16,243
Materials and Supplies	31,800	31,882	21,256	10,626
Total General Park Maintenance	187,763	189,172	145,389	43,783
Total Recreation	208,283	221,031	170,910	50,121
Total Expenditures	4,318,985	4,420,239	4,031,589	388,650

(Continued)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,004,272	4,927,518	5,226,313	298,795
Other Financing Sources (Uses):				
Transfers Out	(5,551,000)	(5,552,500)	(5,391,500)	161,000
Advances In	2,500	2,500	0	(2,500)
Advances Out	<u>(2,500)</u>	<u>(2,500)</u>	<u>0</u>	<u>2,500</u>
Total Other Financing Sources (Uses)	<u>(5,551,000)</u>	<u>(5,552,500)</u>	<u>(5,391,500)</u>	<u>161,000</u>
Net Change in Fund Balance	(546,728)	(624,982)	(165,187)	459,795
Fund Balance at Beginning of Year	596,282	596,282	596,282	0
Prior Year Encumbrances	<u>128,492</u>	<u>128,492</u>	<u>128,492</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 178,046</u>	<u>\$ 99,792</u>	<u>\$ 559,587</u>	<u>\$ 459,795</u>



CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Special Revenue – State Gas and Vehicle License Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State Shared Taxes and Permits	\$ 998,140	\$ 998,140	\$ 965,421	\$ (32,719)
Charges for Services	0	0	2,060	2,060
Miscellaneous Receipts and Reimbursements, Including Interest	4,000	4,000	27,693	23,693
Total Revenues	<u>1,002,140</u>	<u>1,002,140</u>	<u>995,174</u>	<u>(6,966)</u>
Expenditures:				
Highways and Streets - Current:				
Personnel Services	664,711	666,607	666,603	4
General Operating	1,100	1,100	732	368
Contractual Services	193,026	194,622	150,761	43,861
Materials and Supplies	250,570	273,706	211,129	62,577
Total Expenditures	<u>1,109,407</u>	<u>1,136,035</u>	<u>1,029,225</u>	<u>106,810</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,267)	(133,895)	(34,051)	99,844
Other Financing Sources (Uses):				
Transfers In	185,000	185,000	50,000	(135,000)
Total Other Financing Sources (Uses)	<u>185,000</u>	<u>185,000</u>	<u>50,000</u>	<u>(135,000)</u>
Net Change in Fund Balance	77,733	51,105	15,949	(35,156)
Fund Balance at Beginning of Year	70,109	70,109	70,109	0
Prior Year Encumbrances	81,851	81,851	81,851	0
Fund Balance at End of Year	<u>\$ 229,693</u>	<u>\$ 203,065</u>	<u>\$ 167,909</u>	<u>\$ (35,156)</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Special Revenue – Police and Fire Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 4,381,677	\$ 4,381,677	\$ 4,613,511	\$ 231,834
Other Local Taxes	226,000	226,000	212,358	(13,642)
State Shared Taxes and Permits	48,974	48,974	45,452	(3,522)
Intergovernmental Grants	84,000	213,000	189,707	(23,293)
Charges for Services	1,589,906	1,589,906	1,454,769	(135,137)
Fines, Costs, Forfeitures, Licenses and Permits	10,000	10,000	5,226	(4,774)
Miscellaneous Receipts and Reimbursements, Including Interest	71,000	71,000	96,757	25,757
Total Revenues	<u>6,411,557</u>	<u>6,540,557</u>	<u>6,617,780</u>	<u>77,223</u>
Expenditures:				
Public Safety - Current:				
Police:				
Personnel Services	4,913,798	4,902,595	4,743,118	159,477
General Operating	43,500	43,876	31,783	12,093
Contractual Services	515,634	521,244	432,988	88,256
Materials and Supplies	119,850	128,039	116,788	11,251
Total Police	<u>5,592,782</u>	<u>5,595,754</u>	<u>5,324,677</u>	<u>271,077</u>
Fire:				
Personnel Services	4,171,684	4,307,282	4,261,067	46,215
General Operating	16,040	16,094	9,211	6,883
Contractual Services	347,754	356,242	320,175	36,067
Materials & Supplies	130,855	143,923	129,531	14,392
Total Fire	<u>4,666,333</u>	<u>4,823,541</u>	<u>4,719,984</u>	<u>103,557</u>
Communications:				
Personnel Services	1,109,280	1,109,280	1,103,623	5,657
General Operating Expense	4,300	4,300	3,836	464
Contractual Services	112,449	121,043	88,100	32,943
Materials & Supplies	42,300	41,457	25,300	16,157
Total Communications	<u>1,268,329</u>	<u>1,276,080</u>	<u>1,220,859</u>	<u>55,221</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Special Revenue – Police and Fire Fund
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Capital Outlay:				
Capital Improvements	337,533	406,017	387,154	18,863
Debt Service:				
Principal Retirement	273,556	273,556	273,552	4
Interest and Fiscal Charges	34,733	34,733	34,729	4
Total Expenditures	<u>12,173,266</u>	<u>12,409,681</u>	<u>11,960,955</u>	<u>448,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,761,709)	(5,869,124)	(5,343,175)	525,949
Other Financing Sources (Uses):				
Transfers In	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,250,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,250,000</u>	<u>0</u>
Net Change in Fund Balance	(511,709)	(619,124)	(93,175)	525,949
Fund Balance at Beginning of Year	2,231,549	2,231,549	2,231,549	0
Prior Year Encumbrances	176,875	176,875	176,875	0
Fund Balance at End of Year	<u>\$ 1,896,715</u>	<u>\$ 1,789,300</u>	<u>\$ 2,315,249</u>	<u>\$ 525,949</u>

CITY OF XENIA, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Capital Projects – Capital Improvements Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 1,095,173	\$ 1,095,173	\$ 1,153,378	\$ 58,205
Other Local Taxes	40,000	40,000	37,883	(2,117)
Intergovernmental Grants	1,115,805	1,115,805	1,067,002	(48,803)
Charges for Services	5,100	5,100	250	(4,850)
Miscellaneous Receipts and Reimbursements Including Interest	141,612	151,214	151,020	(194)
Total Revenues	2,397,690	2,407,292	2,409,533	2,241
Expenditures:				
Capital Outlay:				
Contractual Services	285,370	839,872	376,249	463,623
Materials and Supplies	106,000	106,000	74,330	31,670
Capital Improvements	2,016,877	2,954,434	2,377,557	576,877
Debt Service:				
Principal Retirement	71,771	71,771	71,770	1
Interest and Fiscal Charges	9,204	9,204	9,202	2
Total Expenditures	2,489,222	3,981,281	2,909,108	1,072,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,532)	(1,573,989)	(499,575)	1,074,414
Other Financing Sources (Uses):				
Proceeds from Capital Lease	1,250,000	0	0	0
Proceeds from General Obligation Bonds	0	953,814	953,814	0
Total Other Financing Sources (Uses)	1,250,000	953,814	953,814	0
Net Change in Fund Balance	1,158,468	(620,175)	454,239	1,074,414
Fund Balance at Beginning of Year	(92,882)	(92,882)	(92,882)	0
Prior Year Encumbrances	985,634	985,634	985,634	0
Fund Balance at End of Year	\$ 2,051,220	\$ 272,577	\$ 1,346,991	\$ 1,074,414

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 37,000	\$ 37,000	\$ 41,863	\$ 4,863
Miscellaneous Receipts and Reimbursements, Including Interest	8,500	8,500	3,124	(5,376)
Total Revenues	<u>45,500</u>	<u>45,500</u>	<u>44,987</u>	<u>(513)</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	0	14,428	14,428	0
Contributions	50,000	50,000	50,000	0
Total Expenditures	<u>50,000</u>	<u>64,428</u>	<u>64,428</u>	<u>0</u>
Net Change in Fund Balance	(4,500)	(18,928)	(19,441)	(513)
Fund Balance at Beginning of Year	324,022	324,022	324,022	0
Fund Balance at End of Year	<u>\$ 319,522</u>	<u>\$ 305,094</u>	<u>\$ 304,581</u>	<u>\$ (513)</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

LAW ENFORCEMENT AND EDUCATION				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 1,400	\$ 1,400	\$ 1,093	\$ (307)
Miscellaneous Receipts and Reimbursements, Including Interest	8,085	8,085	294	(7,791)
Total Revenues	<u>9,485</u>	<u>9,485</u>	<u>1,387</u>	<u>(8,098)</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	11,000	11,075	925	10,150
Materials and Supplies	8,000	10,785	3,935	6,850
Capital Outlay	10,000	10,000	0	10,000
Total Expenditures	<u>29,000</u>	<u>31,860</u>	<u>4,860</u>	<u>27,000</u>
Net Change in Fund Balance	(19,515)	(22,375)	(3,473)	18,902
Fund Balance at Beginning of Year	28,342	28,342	28,342	0
Prior Year Encumbrances	3,651	3,651	3,651	0
Fund Balance at End of Year	<u>\$ 12,478</u>	<u>\$ 9,618</u>	<u>\$ 28,520</u>	<u>\$ 18,902</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
State Shared Taxes and Permits	\$ 79,000	\$ 79,000	\$ 78,278	\$ (722)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>2,200</u>	<u>2,200</u>	<u>1,189</u>	<u>(1,011)</u>
Total Revenues	<u>81,200</u>	<u>81,200</u>	<u>79,467</u>	<u>(1,733)</u>
Expenditures:				
Highways and Streets - Current:				
Contractual Services	44,184	45,261	24,551	20,710
Materials and Supplies	<u>83,300</u>	<u>84,881</u>	<u>74,401</u>	<u>10,480</u>
Total Expenditures	<u>127,484</u>	<u>130,142</u>	<u>98,952</u>	<u>31,190</u>
Net Change in Fund Balance	(46,284)	(48,942)	(19,485)	29,457
Fund Balance at Beginning of Year	110,267	110,267	110,267	0
Prior Year Encumbrances	<u>13,448</u>	<u>13,448</u>	<u>13,448</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 77,431</u>	<u>\$ 74,773</u>	<u>\$ 104,230</u>	<u>\$ 29,457</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State Shared Taxes and Permits	\$ 175,000	\$ 175,000	\$ 169,986	\$ (5,014)
Miscellaneous Receipts and Reimbursements, including Interest	5,000	5,000	2,619	(2,381)
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>172,605</u>	<u>(7,395)</u>
Expenditures:				
Highways and Streets - Current:				
Capital Outlay	250,000	250,000	221,152	28,848
Debt Service:				
Principal Retirement	23,100	25,000	25,000	0
Interest and Fiscal Charges	16,034	14,134	7,933	6,201
Total Expenditures	<u>289,134</u>	<u>289,134</u>	<u>254,085</u>	<u>35,049</u>
Net Change in Fund Balance	(109,134)	(109,134)	(81,480)	27,654
Fund Balance at Beginning of Year	<u>278,212</u>	<u>278,212</u>	<u>278,212</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 169,078</u>	<u>\$ 169,078</u>	<u>\$ 196,732</u>	<u>\$ 27,654</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous Receipt and Reimbursements, Including Interest	\$ 250	\$ 250	\$ 295	\$ 45
Total Revenues	250	250	295	45
Expenditures:				
Highways and Streets - Current:				
Capital Outlay	0	5,054	5,054	0
Total Expenditures	0	5,054	5,054	0
Net Change in Fund Balance	250	(4,804)	(4,759)	45
Fund Balance at Beginning of Year	15,640	15,640	15,640	0
Prior Year Encumbrances	14,712	14,712	14,712	0
Fund Balance at End of Year	\$ 30,602	\$ 25,548	\$ 25,593	\$ 45

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous Receipts and Reimbursements, Including Interest	<u>\$ 97,000</u>	<u>\$ 97,000</u>	<u>\$ 97,000</u>	<u>\$ 0</u>
Total Revenues	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>	<u>0</u>
Expenditures:				
General Government - Current:				
Personnel Services	52,723	52,723	43,500	9,223
Contractual Services	20,000	20,750	20,210	540
Materials and Supplies	<u>4,000</u>	<u>3,250</u>	<u>0</u>	<u>3,250</u>
Total Expenditures	<u>76,723</u>	<u>76,723</u>	<u>63,710</u>	<u>13,013</u>
Net Change in Fund Balance	20,277	20,277	33,290	13,013
Fund Balance at Beginning of Year	<u>84,738</u>	<u>84,738</u>	<u>84,738</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 105,015</u>	<u>\$ 105,015</u>	<u>\$ 118,028</u>	<u>\$ 13,013</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	TAX INCREMENT EQUIVALENT			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Other Local Taxes	\$ 39,000	\$ 63,000	\$ 43,116	\$ (19,884)
Miscellaneous Receipts and Reimbursements, Including Interest	<u>0</u>	<u>0</u>	<u>741</u>	<u>741</u>
Total Revenues	<u>39,000</u>	<u>63,000</u>	<u>43,857</u>	<u>(19,143)</u>
Expenditures:				
General Government - Current:				
Personnel Services	0	19,450	12,959	6,491
General Operating	0	1,025	580	445
Contractual Services	149,500	135,869	130,630	5,239
Materials and Supplies	<u>0</u>	<u>886</u>	<u>446</u>	<u>440</u>
Total Expenditures	<u>149,500</u>	<u>157,230</u>	<u>144,615</u>	<u>12,615</u>
Net Change in Fund Balance	(110,500)	(94,230)	(100,758)	(6,528)
Fund Balance at Beginning of Year	<u>167,988</u>	<u>167,988</u>	<u>167,988</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,488</u>	<u>\$ 73,758</u>	<u>\$ 67,230</u>	<u>\$ (6,528)</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	911 FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 140,000	\$ 140,000	\$ 137,704	\$ (2,296)
Miscellaneous Receipts and Reimbursements, Including Interest	6,000	6,000	3,991	(2,009)
Total Revenues	<u>146,000</u>	<u>146,000</u>	<u>141,695</u>	<u>(4,305)</u>
Expenditures:				
Public Safety - Current:				
Personnel Services	121,008	121,008	65,939	55,069
Contractual Services	8,000	9,645	9,645	0
Materials and Supplies	20,000	18,355	17,850	505
Total Expenditures	<u>149,008</u>	<u>149,008</u>	<u>93,434</u>	<u>55,574</u>
Net Change in Fund Balance	(3,008)	(3,008)	48,261	51,269
Fund Balance at Beginning of Year	366,315	366,315	366,315	0
Fund Balance at End of Year	<u>\$ 363,307</u>	<u>\$ 363,307</u>	<u>\$ 414,576</u>	<u>\$ 51,269</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

LAW ENFORCEMENT				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Grants	\$ 5,765	\$ 13,050	\$ 13,048	\$ (2)
Miscellaneous Receipts and Reimbursements, Including Interest	218,000	98,000	85,394	(12,606)
Total Revenues	<u>223,765</u>	<u>111,050</u>	<u>98,442</u>	<u>(12,608)</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	42,000	59,250	41,933	17,317
Materials and Supplies	29,500	33,185	18,627	14,558
Capital Outlay	101,000	101,179	56,152	45,027
Total Expenditures	<u>172,500</u>	<u>193,614</u>	<u>116,712</u>	<u>76,902</u>
Net Change in Fund Balance	51,265	(82,564)	(18,270)	64,294
Fund Balance at Beginning of Year	438,067	438,067	438,067	0
Prior Year Encumbrances	26,245	26,245	26,245	0
Fund Balance at End of Year	<u>\$ 515,577</u>	<u>\$ 381,748</u>	<u>\$ 446,042</u>	<u>\$ 64,294</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

DRUG LAW ENFORCEMENT				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 15,000	\$ 15,000	\$ 1,752	\$ (13,248)
Miscellaneous Receipts and Reimbursements, Including Interest	800	800	408	(392)
Total Revenues	<u>15,800</u>	<u>15,800</u>	<u>2,160</u>	<u>(13,640)</u>
Expenditures:				
Public Safety - Current:				
Contractual Services	15,000	15,000	0	15,000
Materials and Supplies	10,000	10,000	2,851	7,149
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>2,851</u>	<u>22,149</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,200)	(9,200)	(691)	8,509
Other Financing Sources (Uses):				
Transfers In	15,000	15,000	0	(15,000)
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
Net Change in Fund Balance	5,800	5,800	(691)	(6,491)
Fund Balance at Beginning of Year	40,555	40,555	40,555	0
Fund Balance at End of Year	<u>\$ 46,355</u>	<u>\$ 46,355</u>	<u>\$ 39,864</u>	<u>\$ (6,491)</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL COURT VICTIM				
Revenues:				
Intergovernmental Grants	\$ 64,390	\$ 91,890	\$ 88,892	\$ (2,998)
Fines, Costs, Forfeitures, Licenses and Permits	42,000	42,000	34,387	(7,613)
Miscellaneous Receipts and Reimbursements, Including Interest	120	120	113	(7)
Total Revenues	106,510	134,010	123,392	(10,618)
Expenditures:				
General Government - Current:				
Personnel Services	168,281	170,699	170,684	15
General Operating	2,300	1,700	74	1,626
Contractual Services	5,662	5,266	4,696	570
Materials and Supplies	3,782	4,780	3,686	1,094
Total Expenditures	180,025	182,445	179,140	3,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,515)	(48,435)	(55,748)	(7,313)
Other Financing Sources (Uses):				
Transfers In	81,000	81,000	70,000	(11,000)
Total Other Financing Sources (Uses)	81,000	81,000	70,000	(11,000)
Net Change in Fund Balance	7,485	32,565	14,252	(18,313)
Fund Balance at Beginning of Year	18,286	18,286	18,286	0
Prior Year Encumbrances	356	356	356	0
Fund Balance at End of Year	\$ 26,127	\$ 51,207	\$ 32,894	\$ (18,313)

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 74,000	\$ 74,000	\$ 70,786	\$ (3,214)
State Shares Taxes and Permits	15,745	15,745	14,941	(804)
Miscellaneous Receipts and Reimbursements, Including Interest	1,000	1,000	452	(548)
Total Revenues	<u>90,745</u>	<u>90,745</u>	<u>86,179</u>	<u>(4,566)</u>
Expenditures:				
Public Safety:				
Police and Fire Pension				
Contractual Services	750	750	628	122
Total Public Safety	<u>750</u>	<u>750</u>	<u>628</u>	<u>122</u>
Highways and Streets:				
Streets				
Contractual Services	750	750	625	125
Total Highways and Streets	<u>750</u>	<u>750</u>	<u>625</u>	<u>125</u>
Debt Service:				
Principal Retirement	46,900	48,800	45,000	3,800
Interest and Fiscal Charges	32,554	30,654	16,311	14,343
Total Expenditures	<u>80,954</u>	<u>80,954</u>	<u>62,564</u>	<u>18,390</u>
Net Change in Fund Balance	9,791	9,791	23,615	13,824
Fund Balance at Beginning of Year	36,153	36,153	36,153	0
Fund Balance at End of Year	<u>\$ 45,944</u>	<u>\$ 45,944</u>	<u>\$ 59,768</u>	<u>\$ 13,824</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Costs, Forfeitures, Licenses and Permits	\$ 90,000	\$ 90,000	\$ 87,088	\$ (2,912)
Miscellaneous Receipts and Reimbursements, Including Interest	12,000	12,000	4,235	(7,765)
Total Revenues	<u>102,000</u>	<u>102,000</u>	<u>91,323</u>	<u>(10,677)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	92,502	124,152	92,651	31,501
Materials and Supplies	3,250	1,500	175	1,325
Capital Improvements	44,500	44,500	24,586	19,914
Debt Service:				
Principal Retirement	17,811	17,811	17,809	2
Interest and Fiscal Charges	2,289	2,289	2,286	3
Total Expenditures	<u>160,352</u>	<u>190,252</u>	<u>137,507</u>	<u>52,745</u>
Net Change in Fund Balance	(58,352)	(88,252)	(46,184)	42,068
Fund Balance at Beginning of Year	400,441	400,441	400,441	0
Prior Year Encumbrances	31,429	31,429	31,429	0
Fund Balance at End of Year	<u>\$ 373,518</u>	<u>\$ 343,618</u>	<u>\$ 385,686</u>	<u>\$ 42,068</u>

CITY OF XENIA, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	ISSUE II			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Grants	<u>\$ 1,059,918</u>	<u>\$ 1,059,918</u>	<u>\$ 841,305</u>	<u>\$ (218,613)</u>
Total Revenues	<u>1,059,918</u>	<u>1,059,918</u>	<u>841,305</u>	<u>(218,613)</u>
Expenditures:				
Capital Outlay:				
Capital Improvements	<u>1,036,000</u>	<u>1,036,000</u>	<u>921,991</u>	<u>114,009</u>
Total Expenditures	<u>1,036,000</u>	<u>1,036,000</u>	<u>921,991</u>	<u>114,009</u>
Net Change in Fund Balance	23,918	23,918	(80,686)	(104,604)
Fund Balance at Beginning of Year	(23,917)	(23,917)	(23,917)	0
Prior Year Encumbrances	<u>24,835</u>	<u>24,835</u>	<u>24,835</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,836</u>	<u>\$ 24,836</u>	<u>\$ (79,768)</u>	<u>\$ (104,604)</u>

Nonmajor Enterprise Funds

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

Loan Fund

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

Parking Revenue Fund

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

CDBG and UDAG Revolving Loan Fund

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

Housing Rehabilitation Loan Fund

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

CITY OF XENIA, OHIO

**Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2011**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 233,901	\$ 774	\$ 33,621	\$ 123,185	\$ 391,481
Investments	312,157	1,031	44,870	164,397	522,455
Receivables:					
Loans	13,200	0	0	2,984	16,184
Accrued interest	719	0	179	848	1,746
Grants	0	0	64,754	31,046	95,800
Prepaid items	141	177	0	0	318
Total Current Assets	560,118	1,982	143,424	322,460	1,027,984
Noncurrent Assets:					
Unrestricted:					
Loans receivable (net of current)	137,811	0	38,585	383,648	560,044
Capital Assets (net of accumulated depreciation)	0	207,080	0	0	207,080
Total Noncurrent Assets	137,811	207,080	38,585	383,648	767,124
Total Assets	\$ 697,929	\$ 209,062	\$ 182,009	\$ 706,108	\$ 1,795,108
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 5,450	\$ 8,219	\$ 144	\$ 6,855	\$ 20,668
Accrued payroll	150	3,038	0	175	3,363
Compensated Absences	31	1,065	0	70	1,166
Total Current Liabilities	5,631	12,322	144	7,100	25,197
Noncurrent Liabilities					
Compensated Absences	291	10,163	0	663	11,117
Total Noncurrent Liabilities	291	10,163	0	663	11,117
Total Liabilities	5,922	22,485	144	7,763	36,314
Net Assets:					
Invested in Capital Assets, net of debt	0	207,080	0	0	207,080
Unrestricted	692,007	(20,503)	181,865	698,345	1,551,714
Total Net Assets	\$ 692,007	\$ 186,577	\$ 181,865	\$ 698,345	\$ 1,758,794

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2011**

	Loan	Parking Revenue	CDBG & UDAG Revolving Loan	Housing Rehabilitation Loan	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ 959	\$ 52,917	\$ 0	\$ 77	\$ 53,953
Operating expenses:					
Personnel services	0	67,754	0	4,270	72,024
General operating	629	0	1,065	0	1,694
Contractual services	4,617	16,723	14,436	56,402	92,178
Materials and supplies	11	2,028	7,016	1	9,056
Non-governmental	3,526	0	35,586	53,044	92,156
Total expenses	8,783	86,505	58,103	113,717	267,108
Operating income (loss)	(7,824)	(33,588)	(58,103)	(113,640)	(213,155)
Non-operating revenues:					
Interest revenue	137	9	968	3,520	4,634
Intergovernmental	0	0	101,883	154,437	256,320
Proceeds from Dissolved Component Unit	676,466	0	0	0	676,466
Total Non-operating revenue	676,603	9	102,851	157,957	937,420
Income (loss) before operating transfers	668,779	(33,579)	44,748	44,317	724,265
Transfers and Contributions					
Transfers in	0	130,770	0	0	130,770
Transfers out	0	0	(82,770)	(152,499)	(235,269)
Total Transfers and Contributions	0	130,770	(82,770)	(152,499)	(104,499)
Change in Net Assets	668,779	97,191	(38,022)	(108,182)	619,766
Net assets, beginning of year	23,228	89,386	219,887	806,527	1,139,028
Net assets, end of year	\$ 692,007	\$ 186,577	\$ 181,865	\$ 698,345	\$ 1,758,794

CITY OF XENIA, OHIO

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2011***

	Loan	Parking Revenue	CDBG and UDAG Revolving Loan
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,694	\$52,917	\$0
Cash Payments for Goods and Services	(5,489)	(10,458)	(50,241)
Cash Payments to Employees	(3,371)	(65,406)	0
Net Cash Provided (Used) by Operating Activities	<u>(5,166)</u>	<u>(22,947)</u>	<u>(50,241)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	21,500	0
Intergovernmental Grants	0	0	0
Proceeds from Component Unit	527,778	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>527,778</u>	<u>21,500</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	0	112,650
Acquisition and Construction of Assets	0	0	(48,374)
Net Cash Provided by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>64,276</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	0	942	0
Purchase of Investments	(298,347)	0	(6,286)
Receipts of Interest	397	0	871
Net Cash Provided (Used) by Investing Activities	<u>(297,950)</u>	<u>942</u>	<u>(5,415)</u>
Net Increase in Cash and Cash Equivalents	224,662	(505)	8,620
Cash and Cash Equivalents at Beginning of Year	9,239	1,279	25,001
Cash and Cash Equivalents at End of Year	<u>\$233,901</u>	<u>\$774</u>	<u>\$33,621</u>

CITY OF XENIA, OHIO

<u>Housing Rehabilitation Loan</u>	<u>Total Other Enterprise Funds</u>
\$2,002	\$58,613
(117,279)	(183,467)
<u>(4,180)</u>	<u>(72,957)</u>
<u>(119,457)</u>	<u>(197,811)</u>
0	21,500
34,000	34,000
<u>0</u>	<u>527,778</u>
<u>34,000</u>	<u>583,278</u>
116,000	228,650
<u>(130,594)</u>	<u>(178,968)</u>
<u>(14,594)</u>	<u>49,682</u>
68,935	69,877
0	(304,633)
<u>3,220</u>	<u>4,488</u>
<u>72,155</u>	<u>(230,268)</u>
(27,896)	204,881
<u>151,081</u>	<u>186,600</u>
<u>\$123,185</u>	<u>\$391,481</u>

(Continued)

CITY OF XENIA, OHIO

***Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2011***

	<u>Loan</u>	<u>Parking Revenue</u>	<u>CDBG and UDAG Revolving Loan</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$7,824)	(\$33,588)	(\$58,103)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Income - Other Nonoperating	148,206	0	0
Expense - Other Nonoperating			
Changes in Assets and Liabilities:			
(Increase) Decrease in Principal Receivable	(151,011)	0	7,718
(Increase) Decrease in Prepaid Items	2	74	0
Increase (Decrease) in Accounts Payable	5,450	8,219	144
Increase (Decrease) in Accrued Payroll	9	171	0
Increase (Decrease) in Compensated Absences Payable	2	2,177	0
Total Adjustments	<u>2,658</u>	<u>10,641</u>	<u>7,862</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$5,166)</u></u>	<u><u>(\$22,947)</u></u>	<u><u>(\$50,241)</u></u>

CITY OF XENIA, OHIO

<u>Housing Rehabilitation Loan</u>	<u>Total Other Enterprise Funds</u>
(\$113,640)	(\$213,155)
0	148,206
1,506	(141,787)
0	76
(7,413)	6,400
12	192
78	2,257
<u>(5,817)</u>	<u>15,344</u>
<u>(\$119,457)</u>	<u>(\$197,811)</u>

Internal Service Funds

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

Utility Billing Fund

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

City Garage Fund

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

CITY OF XENIA, OHIO

**Combining Statement of Net Assets
Internal Service Funds
December 31, 2011**

	<u>Utility Billing</u>	<u>City Garage</u>	<u>Total Internal Service Funds</u>
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 15,272	\$ 40,127	\$ 55,399
Investments	20,384	53,555	73,939
Receivables:			
Accounts	9,538	5,795	15,333
Inventories	0	64,155	64,155
Prepaid items	2,163	3,350	5,513
Total Current Assets	<u>47,357</u>	<u>166,982</u>	<u>214,339</u>
Noncurrent Assets:			
Unrestricted:			
Capital Assets (net of accumulated depreciation)	20,081	31,853	51,934
Total Noncurrent Assets	<u>20,081</u>	<u>31,853</u>	<u>51,934</u>
Total Assets	<u>67,438</u>	<u>198,835</u>	<u>266,273</u>
Liabilities:			
Current Liabilities:			
Accounts payable	7,771	34,424	42,195
Accrued payroll	0	6,612	6,612
Interfund payable	0	31,853	31,853
Compensated Absences	0	1,035	1,035
Total Current Liabilities	<u>7,771</u>	<u>73,924</u>	<u>81,695</u>
Noncurrent Liabilities			
Compensated Absences	0	23,924	23,924
Total Noncurrent Liabilities	<u>0</u>	<u>23,924</u>	<u>23,924</u>
Total Liabilities	<u>7,771</u>	<u>97,848</u>	<u>105,619</u>
Net Assets:			
Invested in Capital Assets, net of debt	20,081	31,853	51,934
Unrestricted	39,586	69,134	108,720
Total Net Assets	<u>\$ 59,667</u>	<u>\$ 100,987</u>	<u>\$ 160,654</u>

CITY OF XENIA, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011**

	Utility Billing	City Garage	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 65,481	\$ 770,578	\$ 836,059
Operating expenses:			
Personnel services	0	162,846	162,846
General operating	3,976	0	3,976
Contractual services	101,928	123,657	225,585
Materials and supplies	11,665	505,603	517,268
Depreciation	0	2,101	2,101
Total expenses	117,569	794,207	911,776
Operating income (loss)	(52,088)	(23,629)	(75,717)
Non-operating revenues:			
Interest revenue	287	88	375
Other	0	79,406	79,406
Total Non-operating revenue	287	79,494	79,781
Change in Net Assets	(51,801)	55,865	4,064
Net assets, beginning of year	111,468	45,122	156,590
Net assets, end of year	\$ 59,667	\$ 100,987	\$ 160,654

CITY OF XENIA, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2011***

	Utility Billing	City Garage	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Services Provided	\$64,789	\$770,253	\$835,042
Cash Payments for Goods and Services	(119,625)	(636,113)	(755,738)
Cash Payments to Employees	0	(163,625)	(163,625)
Net Cash Provided (Used) by Operating Activities	<u>(54,836)</u>	<u>(29,485)</u>	<u>(84,321)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Advances to Other Funds	0	(4,202)	(4,202)
Insurance Proceeds	0	79,406	0
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>75,204</u>	<u>75,204</u>
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	34,555	0	34,555
Purchase of Investments	0	(24,462)	(24,462)
Net Cash Provided (Used) by Investing Activities	<u>34,555</u>	<u>(24,462)</u>	<u>10,093</u>
Net Decrease in Cash and Cash Equivalents	(20,281)	21,257	976
Cash and Cash Equivalents at Beginning of Year	<u>35,553</u>	<u>18,870</u>	<u>54,423</u>
Cash and Cash Equivalents at End of Year	<u>\$15,272</u>	<u>\$40,127</u>	<u>\$55,399</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Loss	(\$52,088)	(\$23,629)	(\$75,717)
<u>Adjustments to Reconcile Operating Loss to</u>			
<u>Net Cash Provided (Used) by Operating Activities:</u>			
Depreciation Expense	0	2,101	2,101
<u>Changes in Assets and Liabilities:</u>			
Increase in Accounts Receivable	(692)	(326)	(1,018)
(Increase) Decrease in Prepaid Items	(1,644)	(34)	(1,678)
Increase in Inventory	0	(9,326)	(9,326)
Increase in Accounts Payable	(412)	2,508	2,096
Increase in Accrued Payroll	0	287	287
Decrease in Compensated Absences	0	(1,066)	(1,066)
Total Adjustments	<u>(2,748)</u>	<u>(5,856)</u>	<u>(8,604)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$54,836)</u>	<u>(\$29,485)</u>	<u>(\$84,321)</u>

Fiduciary Funds

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

Agency Funds

Municipal Court – Traffic and Criminal Funds

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

Municipal Court – Civil and Small Claims Funds

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

Imprest Cash Fund

To account for petty cash.

Insurance Deposit Fund

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

CITY OF XENIA, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2011***

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Municipal Court - Traffic and Criminal:</u>				
Assets:				
Cash and Cash Equivalents	\$170,404	\$1,105,239	(\$1,093,883)	\$181,760
Total Assets	<u>\$170,404</u>	<u>\$1,105,239</u>	<u>(\$1,093,883)</u>	<u>\$181,760</u>
Liabilities:				
Accounts Payable	\$57,081	\$788,134	(\$785,975)	\$59,240
Restricted Deposits	113,323	317,105	(307,908)	122,520
Total Liabilities	<u>\$170,404</u>	<u>\$1,105,239</u>	<u>(\$1,093,883)</u>	<u>\$181,760</u>
<u>Municipal Court - Civil and Small Claims:</u>				
Assets:				
Cash and Cash Equivalents	\$9,183	\$708,769	(\$705,327)	\$12,625
Total Assets	<u>\$9,183</u>	<u>\$708,769</u>	<u>(\$705,327)</u>	<u>\$12,625</u>
Liabilities:				
Accounts Payable	\$7,872	\$690,564	(\$691,569)	\$6,867
Restricted Deposits	1,311	18,205	(13,758)	5,758
Total Liabilities	<u>\$9,183</u>	<u>\$708,769</u>	<u>(\$705,327)</u>	<u>\$12,625</u>
<u>Imprest Cash:</u>				
Assets:				
Cash and Cash Equivalents	\$2,000	\$90	\$0	\$2,090
Total Assets	<u>\$2,000</u>	<u>\$90</u>	<u>\$0</u>	<u>\$2,090</u>
Liabilities:				
Restricted Deposits	\$2,000	\$90	\$0	\$2,090
Total Liabilities	<u>\$2,000</u>	<u>\$90</u>	<u>\$0</u>	<u>\$2,090</u>
<u>Insurance Deposit:</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$10,063	(\$10,063)	\$0
Total Assets	<u>\$0</u>	<u>\$10,063</u>	<u>(\$10,063)</u>	<u>\$0</u>
Liabilities:				
Restricted Deposits	\$0	\$10,063	(\$10,063)	\$0
Total Liabilities	<u>\$0</u>	<u>\$10,063</u>	<u>(\$10,063)</u>	<u>\$0</u>
<u>Totals - All Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$181,587	\$1,824,161	(\$1,809,273)	\$196,475
Total Assets	<u>\$181,587</u>	<u>\$1,824,161</u>	<u>(\$1,809,273)</u>	<u>\$196,475</u>
Liabilities:				
Accounts Payable	\$64,953	\$1,478,698	(\$1,477,544)	\$66,107
Restricted Deposits	116,634	345,463	(331,729)	130,368
Total Liabilities	<u>\$181,587</u>	<u>\$1,824,161</u>	<u>(\$1,809,273)</u>	<u>\$196,475</u>



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

City of Xenia

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$11,480,035	\$33,083,163	\$33,210,938	\$34,165,799
Restricted	5,794,172	3,748,091	7,174,753	4,210,533
Unrestricted	2,098,432	3,694,525	946,718	4,303,901
Total Governmental Activities Net Assets	<u>\$19,372,639</u>	<u>\$40,525,779</u>	<u>\$41,332,409</u>	<u>\$42,680,233</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$14,970,070	\$14,518,147	\$14,640,414	\$14,508,761
Restricted	0	0	0	0
Unrestricted	4,477,597	4,205,604	4,738,569	5,292,909
Total Business-type Activities Net Assets	<u>\$19,447,667</u>	<u>\$18,723,751</u>	<u>\$19,378,983</u>	<u>\$19,801,670</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$26,450,105	\$47,601,310	\$47,851,352	\$48,674,560
Restricted	5,794,172	3,748,091	7,174,753	4,210,533
Unrestricted	6,576,029	7,900,129	5,685,287	9,596,810
Total Primary Government Net Assets	<u>\$38,820,306</u>	<u>\$59,249,530</u>	<u>\$60,711,392</u>	<u>\$62,481,903</u>

Source: City Finance Director's Office

City of Xenia

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$35,169,467	\$29,833,471	\$31,133,709	\$32,711,191	\$33,054,119	\$34,113,956
4,946,554	5,272,948	5,630,788	4,179,524	6,100,965	8,188,065
4,307,135	3,872,527	3,792,172	3,933,236	2,692,145	2,287,431
<u>\$44,423,156</u>	<u>\$38,978,946</u>	<u>\$40,556,669</u>	<u>\$40,823,951</u>	<u>\$41,847,229</u>	<u>\$44,589,452</u>
\$14,955,202	\$19,755,819	\$21,529,277	\$21,442,195	\$21,637,865	\$22,250,312
0	0	0	0	178,266	120,288
5,538,677	6,502,716	7,409,830	7,538,994	9,830,432	9,820,160
<u>\$20,493,879</u>	<u>\$26,258,535</u>	<u>\$28,939,107</u>	<u>\$28,981,189</u>	<u>\$31,646,563</u>	<u>\$32,190,760</u>
\$50,124,669	\$49,589,290	\$52,662,986	\$54,153,386	\$54,691,984	\$56,364,268
4,946,554	5,272,948	5,630,788	4,179,524	6,279,231	8,308,353
9,845,812	10,375,243	11,202,002	11,472,230	12,522,577	12,107,591
<u>\$64,917,035</u>	<u>\$65,237,481</u>	<u>\$69,495,776</u>	<u>\$69,805,140</u>	<u>\$73,493,792</u>	<u>\$76,780,212</u>

City of Xenia

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

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
General Government	\$3,107,951	\$3,454,462	\$3,275,929	\$3,420,815
Public Safety	9,990,485	9,937,145	9,902,921	10,011,879
Health	43,564	71,091	54,859	99,731
Highways and Streets	1,537,488	1,892,865	2,065,965	1,392,686
Community Development	279,349	319,046	284,235	250,539
Recreation	541,558	554,594	461,068	350,140
Interest and Fiscal Charges	84,862	98,125	99,891	100,015
<i>Total Governmental Activities Expenses</i>	15,585,257	16,327,328	16,144,868	15,625,805
Business-type Activities:				
Water	2,486,774	2,463,686	2,429,236	2,527,636
Sewer	3,472,553	3,543,124	3,375,684	3,626,868
Sanitation	1,423,249	1,448,341	1,428,649	1,451,826
Storm Water	0	0	0	0
Other Enterprise Funds	413,014	470,153	167,506	525,029
<i>Total Business-type Activities Expenses</i>	7,795,590	7,925,304	7,401,075	8,131,359
<i>Total Primary Government Expenses</i>	\$23,380,847	\$24,252,632	\$23,545,943	\$23,757,164
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$1,386,171	\$1,382,825	\$1,481,682	\$1,472,029
Public Safety	935,454	1,604,231	1,539,810	1,383,846
Health	40,931	26,160	26,096	0
Highways and Streets	3,312	1,918	50	550
Community Development	25,159	25,445	22,161	32,933
Recreation	35,831	23,287	19,269	36,961
Operating Grants and Contributions	406,583	261,262	272,929	231,267
Capital Grants and Contributions	1,989,900	422,765	570,813	593,807
<i>Total Governmental Activities</i>	4,823,341	3,747,893	3,932,810	3,751,393

City of Xenia

2006	2007	2008	2009	2010	2011
\$3,591,944	\$3,609,339	\$3,913,536	\$3,474,135	\$3,577,856	\$3,677,014
10,948,875	11,119,299	11,372,519	11,984,216	11,311,480	12,065,050
66,181	63,718	67,910	54,605	306,963	0
1,854,523	2,284,521	2,054,733	1,952,667	1,801,149	2,409,163
305,886	345,551	360,443	285,954	247,659	139,753
453,440	521,131	481,111	406,396	284,934	151,523
132,606	134,336	129,250	126,203	104,977	67,642
<u>17,353,455</u>	<u>18,077,895</u>	<u>18,379,502</u>	<u>18,284,176</u>	<u>17,635,018</u>	<u>18,783,086</u>
2,700,478	2,688,400	2,845,241	3,110,764	2,980,976	3,075,621
3,769,874	3,968,134	4,187,892	4,191,056	3,883,632	4,346,983
1,555,636	1,711,596	1,643,058	1,644,491	1,577,458	1,642,102
0	140,479	164,575	187,640	277,359	324,722
162,529	330,293	385,728	596,196	243,485	267,108
<u>8,188,517</u>	<u>8,838,902</u>	<u>9,226,494</u>	<u>9,730,147</u>	<u>8,962,910</u>	<u>9,656,536</u>
<u>\$25,541,972</u>	<u>\$26,916,797</u>	<u>\$27,605,996</u>	<u>\$28,014,323</u>	<u>\$26,597,928</u>	<u>\$28,439,622</u>
\$1,386,743	\$1,365,697	\$1,676,228	\$1,359,765	\$1,388,914	\$1,398,435
1,874,889	1,654,935	2,130,089	1,866,335	2,307,856	1,851,179
28,938	27,585	18,740	8,589	19,302	0
6,030	1,040	9,060	4,282	9,337	2,438
29,769	29,384	22,098	19,191	30,452	0
25,613	28,957	30,761	20,625	8,914	5,360
233,068	266,159	442,322	253,541	459,403	398,496
1,106,413	533,226	993,095	744,718	1,098,518	1,634,700
<u>4,691,463</u>	<u>3,906,983</u>	<u>5,322,393</u>	<u>4,277,046</u>	<u>5,322,696</u>	<u>5,290,608</u>

(continued)

City of Xenia

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

	2002	2003	2004	2005
Business-type Activities:				
Charges for Services				
Water	2,183,911	2,247,479	2,477,131	2,652,204
Sewer	3,071,346	2,984,362	3,235,225	3,511,327
Sanitation	1,445,382	1,464,831	1,525,558	1,525,059
Storm Water	0	0	0	0
Other Enterprise Funds	237,785	279,651	82,139	68,235
Operating Grants and Contributions	0	0	0	1,370
Capital Grants and Contributions	1,016,757	200,065	489,541	626,408
<i>Total Business-type Activities</i>				
<i>Program Revenues</i>	7,955,181	7,176,388	7,809,594	8,384,603
<i>Total Primary Government Program Revenues</i>	12,778,522	10,924,281	11,742,404	12,135,996
Net (Expense)/Revenue				
Governmental Activities	(10,761,916)	(12,579,435)	(12,212,058)	(11,874,412)
Business-type Activities	159,591	(748,916)	408,519	253,244
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$10,602,325)</u>	<u>(\$13,328,351)</u>	<u>(\$11,803,539)</u>	<u>(\$11,621,168)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Income Taxes	\$7,594,854	\$7,965,860	\$7,911,246	\$8,240,773
Other Local Taxes	1,584,911	1,923,930	1,788,046	1,351,473
Motor Vehicle and Gas Tax	1,381,595	1,013,936	1,636,792	1,417,159
Shared Revenues	1,577,316	1,826,091	1,295,779	1,878,121
Investment Earnings	336,298	113,664	139,560	120,947
Miscellaneous	749,596	333,015	275,952	288,763
Transfers	(10,744)	(25,000)	0	(75,000)
Loss on Disposal of Capital Assets	(93,414)	0	0	0
<i>Total Governmental Activities</i>	<u>13,120,412</u>	<u>13,151,496</u>	<u>13,047,375</u>	<u>13,222,236</u>
Business-type Activities:				
Investment Earnings	0	0	0	94,443
Transfers	10,744	25,000	0	0
Loss on Disposal of Capital Assets	(11,266)	0	0	75,000
<i>Total Business-type Activities</i>	<u>(522)</u>	<u>25,000</u>	<u>0</u>	<u>169,443</u>
<i>Total Primary Government</i>	<u>\$13,119,890</u>	<u>\$13,176,496</u>	<u>\$13,047,375</u>	<u>\$13,391,679</u>
Change in Net Assets				
Governmental Activities	\$2,358,496	\$572,061	\$835,317	\$1,347,824
Business-type Activities	159,069	(723,916)	408,519	422,687
<i>Total Primary Government Change in Net Assets</i>	<u>\$2,517,565</u>	<u>(\$151,855)</u>	<u>\$1,243,836</u>	<u>\$1,770,511</u>

Source: City Finance Director's Office

City of Xenia

2006	2007	2008	2009	2010	2011
2,789,112	3,219,234	3,145,639	3,425,277	3,455,602	3,227,912
3,536,850	4,114,935	4,100,610	4,090,886	4,958,089	3,563,646
1,682,091	1,763,401	1,850,488	1,774,993	1,917,987	2,012,065
0	131,161	149,908	144,933	319,870	344,240
83,130	91,956	119,189	87,633	60,528	58,587
0	0	36,459	0	422,209	714,903
846,543	353,157	2,494,773	418,589	205,679	383,879
8,937,726	9,673,844	11,897,066	9,942,311	11,339,964	10,305,232
13,629,189	13,580,827	17,219,459	14,219,357	16,662,660	15,595,840
(12,661,992)	(14,170,912)	(13,057,109)	(14,007,130)	(12,312,322)	(13,492,478)
749,209	834,942	2,670,572	212,164	2,377,054	648,696
<u>(\$11,912,783)</u>	<u>(\$13,335,970)</u>	<u>(\$10,386,537)</u>	<u>(\$13,794,966)</u>	<u>(\$9,935,268)</u>	<u>(\$12,843,782)</u>
\$8,604,274	\$8,786,104	\$8,848,826	\$8,318,554	\$8,272,340	\$10,969,297
1,814,053	1,619,664	2,106,148	1,899,658	1,621,492	1,398,309
1,287,033	1,369,889	1,445,405	1,163,541	1,459,124	1,418,289
2,185,128	1,994,721	1,608,619	2,048,476	1,755,690	1,895,351
261,523	402,797	294,596	264,225	80,055	63,913
302,904	302,915	341,238	409,876	209,174	385,043
(50,000)	(5,583,398)	(10,000)	170,082	(62,275)	104,499
0	0	0	0	0	0
14,404,915	8,892,692	14,634,832	14,274,412	13,335,600	16,234,701
0	0	0	0	0	0
50,000	5,583,398	10,000	(170,082)	62,275	(104,499)
0	0	0	0	0	0
50,000	5,583,398	10,000	(170,082)	62,275	(104,499)
<u>\$14,454,915</u>	<u>\$14,476,090</u>	<u>\$14,644,832</u>	<u>\$14,104,330</u>	<u>\$13,397,875</u>	<u>\$16,130,202</u>
\$1,742,923	(\$5,278,220)	\$1,577,723	\$267,282	\$1,023,278	\$2,742,223
799,209	6,418,340	2,680,572	42,082	2,439,329	544,197
<u>\$2,542,132</u>	<u>\$1,140,120</u>	<u>\$4,258,295</u>	<u>\$309,364</u>	<u>\$3,462,607</u>	<u>\$3,286,420</u>

City of Xenia

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

	2002	2003	2004	2005
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	164,700	236,573	192,182	222,249
Unreserved	568,853	1,065,095	3,868,062	3,516,994
<i>Total General Fund</i>	<u>733,553</u>	<u>1,301,668</u>	<u>4,060,244</u>	<u>3,739,243</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Reserved	1,339,780	203,382	623,976	2,262,308
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,461,893	3,548,627	1,066,824	1,077,043
Capital Projects Funds	491,785	1,025,394	1,346,287	207,596
<i>Total All Other Governmental Funds</i>	<u>5,293,458</u>	<u>4,777,403</u>	<u>3,037,087</u>	<u>3,546,947</u>
<i>Total Governmental Funds</i>	<u>\$6,027,011</u>	<u>\$6,079,071</u>	<u>\$7,097,331</u>	<u>\$7,286,190</u>

Source: City Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Xenia

2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$0	\$59,044
0	0	0	0	0	188,601
0	0	0	0	0	1,872,104
181,258	255,520	294,705	213,890	167,371	0
3,412,434	3,175,961	3,913,707	4,286,603	1,875,461	0
<u>3,593,692</u>	<u>3,431,481</u>	<u>4,208,412</u>	<u>4,500,493</u>	<u>2,042,832</u>	<u>2,119,749</u>
0	0	0	0	0	140,563
0	0	0	0	0	6,042,733
0	0	0	0	0	117,026
0	0	0	0	0	1,952,407
340,493	588,127	953,204	428,075	1,440,549	0
1,437,656	1,951,198	1,744,102	1,731,786	4,578,277	0
2,544,355	2,303,063	2,347,725	1,501,554	740,547	0
<u>4,322,504</u>	<u>4,842,388</u>	<u>5,045,031</u>	<u>3,661,415</u>	<u>6,759,373</u>	<u>8,252,729</u>
<u>\$7,916,196</u>	<u>\$8,273,869</u>	<u>\$9,253,443</u>	<u>\$8,161,908</u>	<u>\$8,802,205</u>	<u>\$10,372,478</u>

City of Xenia

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

	2002	2003	2004	2005
Revenues:				
Municipal Income Tax	\$7,682,250	\$7,856,461	\$8,016,918	\$8,158,020
Other Local Taxes	1,584,911	1,923,930	1,788,046	1,235,494
State Shared Taxes and Permits	3,194,270	2,796,154	2,961,220	3,174,305
Special Assessments	12,449	12,898	27,037	0
Intergovernmental Grants	1,043,448	1,043,078	241,506	816,668
Charges for Services	212,560	817,551	1,508,894	1,463,158
Fines, Costs, Forfeitures, Licenses and Permits	1,333,582	1,309,613	1,359,346	1,357,391
Miscellaneous Receipts and Reimbursements, including Interest	1,851,234	1,194,325	634,984	712,872
Total Revenue	16,914,704	16,954,010	16,537,951	16,917,908
Expenditures:				
Current:				
General Government	2,866,097	2,931,042	3,098,492	3,057,658
Public Safety	9,632,474	9,602,273	9,557,428	9,925,722
Health	42,132	70,285	53,237	60,873
Highways and Streets	1,486,189	1,439,115	1,337,651	1,334,299
Community Development	256,039	299,088	265,626	283,489
Urban Redevelopment and Housing	0	0	0	0
Economic Development and Assistance	0	0	0	0
Recreation	483,618	470,294	376,688	319,900
Capital Outlay	2,948,807	2,663,250	798,494	1,482,509
Debt Service:				
Principal Retirement	107,247	216,484	190,537	202,149
Interest and Fiscal Charges	85,686	94,497	100,745	99,416
Total Expenditures	17,908,289	17,786,328	15,778,898	16,766,015
Excess (Deficiency) of Revenues Over Expenditures	(993,585)	(832,318)	759,053	151,893
Other Financing Sources (Uses):				
Other Financing Sources - Capital Leases	0	902,170	158,579	97,419
General Obligation Bonds Issued	0	0	0	0
Transfers In	4,255,286	4,215,000	1,163,000	1,028,459
Transfers Out	(4,280,286)	(4,240,000)	(1,163,000)	(1,103,459)
Total Other Financing Sources (Uses)	(25,000)	877,170	158,579	22,419
Net Change in Fund Balance	(\$1,018,585)	\$44,852	\$917,632	\$174,312
Debt Service as a Percentage of Noncapital Expenditures	1.08%	2.05%	2.01%	2.07%

* In 2011, Community Development was split into two separate functions -
Urban Redevelopment and Housing and Economic Development and Assistance

Source: City Finance Director's Office

City of Xenia

2006	2007	2008	2009	2010	2011
\$8,396,732	\$8,764,208	\$8,973,379	\$8,418,354	\$8,262,780	\$10,933,675
1,762,886	1,786,810	2,106,148	1,899,658	1,619,094	1,400,707
3,425,030	3,552,734	3,479,048	3,296,472	3,097,393	3,109,036
0	0	0	0	0	0
699,375	808,075	1,333,417	908,950	1,522,973	2,100,211
1,620,614	1,575,315	1,712,640	1,669,891	1,766,578	1,485,407
1,260,496	1,220,823	1,723,130	1,422,179	1,418,432	1,357,962
1,074,806	1,074,252	1,122,768	909,517	881,195	835,290
18,239,939	18,782,217	20,450,530	18,525,021	18,568,445	21,222,288
3,271,162	3,307,934	3,702,693	3,119,824	3,136,271	3,383,703
10,440,937	10,638,670	10,853,395	11,456,004	10,721,657	11,502,926
62,507	60,524	64,843	51,780	48,257	0
1,361,864	1,606,466	1,641,621	1,425,152	1,353,816	1,295,688
289,074	331,927	344,549	289,694	248,432 *	0
0	0	0	0	0	130,324
0	0	0	0	0	146,663
361,767	386,229	390,777	319,544	169,228	158,251
2,556,380	1,651,163	2,420,322	2,498,161	1,739,237	3,443,902
255,749	346,055	381,681	433,103	1,315,647	433,131
111,844	134,491	132,540	128,364	112,635	70,461
18,711,284	18,463,459	19,932,421	19,721,626	18,845,180	20,565,049
(471,345)	318,758	518,109	(1,196,605)	(276,735)	657,239
1,126,811	105,419	448,251	190,080	0	0
0	0	0	0	927,531	953,712
975,000	1,119,000	694,000	234,000	7,512,071	5,370,000
(1,025,000)	(1,200,121)	(704,000)	(247,000)	(7,528,071)	(5,391,500)
1,076,811	24,298	438,251	177,080	911,531	932,212
\$605,466	\$343,056	\$956,360	(\$1,019,525)	\$634,796	\$1,589,451
2.32%	2.72%	2.97%	3.25%	8.06%	2.45%

City of Xenia

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Total Tax Collected	\$7,835,677	\$7,775,946	\$7,772,336	\$8,144,456
Income Tax Receipts				
Withholding	6,064,506	5,995,199	6,005,868	6,224,137
Percentage	77.40%	77.10%	77.27%	76.42%
Direct (Individual & Business)	1,771,171	1,780,747	1,766,468	1,920,319
Percentage	22.60%	22.90%	22.73%	23.58%

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

Source: City Income Tax Department

City of Xenia

2006	2007	2008	2009	2010	2011
1.75%	1.75%	1.75%	1.75%	1.75%	2.25%
\$8,574,742	\$7,996,915	\$8,863,480	\$8,263,057	\$8,354,222	\$10,310,172
6,508,901	5,917,884	6,870,315	6,425,740	6,377,354	8,075,838
75.91%	74.00%	77.51%	77.76%	76.34%	78.33%
2,065,841	2,079,031	1,993,165	1,837,317	1,976,868	2,234,334
24.09%	26.00%	22.49%	22.24%	23.66%	21.67%



City of Xenia

Income Tax Collections Current Year and Five Years Ago

Calendar Year 2011				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	6,423	53.27%	\$35,568,596	10.28%
20,000 - 49,999	3,166	26.26%	105,067,003	30.38%
50,000 - 74,999	1,317	10.92%	80,201,129	23.19%
75,000 - 99,999	653	5.42%	56,293,314	16.27%
Over 100,000	499	4.13%	68,767,783	19.88%
Total	12,058	100.00%	\$345,897,825	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to the City of Xenia	\$4,378,519
Taxes Credited to Other Municipalities	1,674,693
	\$6,053,212

Calendar Year 2006				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	5,917	51.04%	\$35,455,795	10.67%
20,000 - 49,999	3,336	28.77%	110,233,208	33.17%
50,000 - 74,999	1,348	11.63%	82,289,203	24.76%
75,000 - 99,999	611	5.27%	52,181,447	15.70%
Over 100,000	382	3.29%	52,216,151	15.70%
Total	11,594	100.00%	\$332,375,804	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to the City of Xenia	\$5,024,998
Taxes Credited to Other Municipalities	1,622,518
	\$6,647,516

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

City of Xenia

Ratio of Outstanding Debt By Type Last Ten Years

	2002	2003	2004	2005
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,315,000	\$1,270,000	\$1,220,000	\$1,170,000
Capital Leases	216,843	947,529	965,571	910,841
Business-type Activities ⁽¹⁾				
Ohio Water Development				
Authority Loans Payable	\$8,341,594	\$7,890,210	\$7,425,789	\$6,947,955
General Obligation Bonds Payable	0	0	0	0
Capital Leases	0	0	0	0
Total Primary Government	<u>\$9,873,437</u>	<u>\$10,107,739</u>	<u>\$9,611,360</u>	<u>\$9,028,796</u>
Population ⁽²⁾				
City of Xenia	24,164	24,164	24,164	24,164
Outstanding Debt Per Capita	\$409	\$418	\$398	\$374
Income ⁽³⁾				
Personal (in thousands)	729,318	757,590	785,258	792,096
Percentage of Personal Income	1.35%	1.33%	1.22%	1.14%

Sources:

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2010 for the presentation of 2011 statistics, the City is using the latest information available.
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Xenia

2006	2007	2008	2009	2010	2011
\$1,120,000	\$1,065,000	\$1,005,000	\$945,000	\$920,000	\$1,803,712
1,831,903	1,646,267	1,772,837	1,589,809	1,219,167	856,036
\$6,456,316	\$5,950,478	\$5,430,029	\$4,894,544	\$6,226,960	\$5,509,733
0	0	0	0	0	120,288
0	1,782,755	1,697,182	1,607,731	1,514,227	1,416,485
<u>\$9,408,219</u>	<u>\$10,444,500</u>	<u>\$9,905,048</u>	<u>\$9,037,084</u>	<u>\$9,880,354</u>	<u>\$9,706,254</u>
24,164	24,164	24,164	27,357	25,719	25,719
\$389	\$432	\$410	\$330	\$384	\$377
815,366	815,366	821,286	977,192	902,865	493,702
1.15%	1.28%	1.21%	0.92%	1.09%	1.97%

City of Xenia

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2002	2003	2004	2005
Population (1)	24,164	24,164	24,164	24,164
Assessed Value (2)	\$296,650,260	\$343,118,119	\$349,957,342	\$348,140,994
General Bonded Debt (3)				
General Obligation Bonds	\$1,315,000	\$1,270,000	\$1,220,000	\$1,170,000
Resources Available to Pay Principal (4)	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$1,315,000	\$1,270,000	\$1,220,000	\$1,170,000
Ratio of Net Bonded Debt to Estimated Actual Value	0.44%	0.37%	0.35%	0.34%
Net Bonded Debt per Capita	\$54.42	\$52.56	\$50.49	\$48.42

Source:

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

(2) Greene County Auditor

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

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

City of Xenia

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
24,164	24,164	24,164	27,357	25,719	25,719
\$373,253,479	\$374,629,702	\$380,225,360	\$401,737,343	\$401,707,460	\$376,284,220
\$1,120,000	\$1,065,000	\$1,005,000	\$945,000	\$920,000	\$1,803,712
\$0	\$0	\$0	\$0	\$0	\$0
\$1,120,000	\$1,065,000	\$1,005,000	\$945,000	\$920,000	\$1,803,712
0.30%	0.28%	0.26%	0.24%	0.23%	0.48%
\$46.35	\$44.07	\$41.59	\$34.54	\$35.77	\$70.13



City of Xenia

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Xenia</u>	<u>Amount Applicable to the City of Xenia</u>
Direct:			
City of Xenia	\$1,803,712	100.00%	\$1,803,712
Overlapping:			
Greene County	138,437,908	10.22%	14,148,354
Xenia Community School District	41,501,826	59.13%	24,540,030
Greene County Career Center	150,000	10.27%	15,405
		Subtotal	<u>38,703,789</u>
		Total	<u><u>\$40,507,501</u></u>

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

The percentage of overlapping debt applicable to the City of Xenia is calculated by the County Auditor and is based on property tax valuations.

City of Xenia

Debt Limitations Last Ten Years

Collection Year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$296,650,260	\$343,118,119	\$349,957,342	\$348,140,994
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	31,148,277	36,027,402	36,745,521	36,554,804
City Debt Outstanding (2)	1,315,000	1,270,000	1,220,000	1,170,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>1,315,000</u>	<u>1,270,000</u>	<u>1,220,000</u>	<u>1,170,000</u>
Overall Legal Debt Margin	<u><u>\$29,833,277</u></u>	<u><u>\$34,757,402</u></u>	<u><u>\$35,525,521</u></u>	<u><u>\$35,384,804</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$296,650,260	\$343,118,119	\$349,957,342	\$348,140,994
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	16,315,764	18,871,497	19,247,654	19,147,755
City Debt Outstanding (2)	1,315,000	1,270,000	1,220,000	1,170,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>1,315,000</u>	<u>1,270,000</u>	<u>1,220,000</u>	<u>1,170,000</u>
Overall Legal Debt Margin	<u><u>\$15,000,764</u></u>	<u><u>\$17,601,497</u></u>	<u><u>\$18,027,654</u></u>	<u><u>\$17,977,755</u></u>

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

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

Source: City Finance Director's Office

City of Xenia

2006	2007	2008	2009	2010	2011
\$373,253,479	\$374,629,702	\$380,225,360	\$401,737,343	\$401,707,460	\$376,284,220
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
39,191,615	39,336,119	39,923,663	42,182,421	42,179,283	39,509,843
1,120,000	1,065,000	1,005,000	945,000	920,000	1,803,712
0	0	0	0	0	0
1,120,000	1,065,000	1,005,000	945,000	920,000	1,803,712
\$38,071,615	\$38,271,119	\$38,918,663	\$41,237,421	\$41,259,283	\$37,706,131
\$373,253,479	\$374,629,702	\$380,225,360	\$401,737,343	\$401,707,460	\$376,284,220
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
20,528,941	20,604,634	20,912,395	22,095,554	22,093,910	20,695,632
1,120,000	1,065,000	1,005,000	945,000	920,000	1,803,712
0	0	0	0	0	0
1,120,000	1,065,000	1,005,000	945,000	920,000	1,803,712
\$19,408,941	\$19,539,634	\$19,907,395	\$21,150,554	\$21,173,910	\$18,891,920

City of Xenia

Demographic and Economic Statistics Last Ten Years

Calendar Year	2002	2003	2004	2005
Population ⁽¹⁾				
City of Xenia	24,164	24,164	24,164	24,164
Greene County	148,607	148,607	148,607	148,607
Income ^{(2) (a)}				
Total Personal (in thousands)	729,318	757,590	785,258	792,096
Per Capita	30,182	31,352	32,497	32,780
Unemployment Rate ⁽³⁾				
Federal	4.8%	5.8%	6.0%	5.5%
State	4.3%	5.7%	6.1%	6.0%
Greene County	4.3%	4.4%	4.9%	5.5%
Civilian Work Force Estimates ⁽³⁾				
State	5,828,000	5,915,000	5,875,300	5,900,400
Greene County	73,100	73,900	77,200	77,000
Employment Distribution by Occupation ⁽¹⁾				
Agriculture, forestry, fishing, hunting, and mining	29	29	29	29
Construction	701	701	701	701
Manufacturing	1,952	1,952	1,952	1,952
Wholesale trade	240	240	240	240
Retail trade	1,511	1,511	1,511	1,511
Transportation, warehousing, and utilities info.	448	448	448	448
Information	190	190	190	190
Finance, insurance, real estate, rental and leasing	436	436	436	436
Professional, scientific, management, administrative, and waste management	713	713	713	713
Educational, health, and social services	2,389	2,389	2,389	2,389
Arts, Entertainment, recreation, accomodation and food services	828	828	828	828
Other Services	641	641	641	641
Public Administration	843	843	843	843
Daytime Population ⁽¹⁾	22,424	22,424	22,424	22,424

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2010 for the presentation of 2011 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

N/A = not available

City of Xenia

2006	2007	2008	2009	2010	2011
24,164	24,164	24,164	27,357	25,719	25,719
148,607	148,607	148,607	159,823	161,573	161,573
815,366	815,366	821,286	977,192	902,865	493,702
33,743	33,743	33,988	35,720	35,105	19,196
4.6%	4.6%	7.1%	9.7%	9.6%	8.3%
5.5%	5.6%	7.7%	10.7%	10.1%	7.6%
5.1%	5.3%	7.0%	10.6%	10.0%	7.3%
5,934,000	5,976,500	5,931,600	5,884,900	5,897,600	5,762,000
77,400	78,000	78,200	79,700	80,100	79,000
29	29	29	29	89	99
701	701	701	701	628	530
1,952	1,952	1,952	1,952	1,351	1,019
240	240	240	240	281	213
1,511	1,511	1,511	1,511	1,342	1,410
448	448	448	448	700	638
190	190	190	190	297	191
436	436	436	436	512	499
713	713	713	713	1,203	925
2,389	2,389	2,389	2,389	3,153	2,705
828	828	828	828	1,096	1,274
641	641	641	641	621	669
843	843	843	843	742	836
22,424	22,424	22,424	22,424	22,424	22,424



City of Xenia

Principal Employers Current Year and Four Years Ago

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1,427	1	7.26%
Xenia Community Schools	Education	1,014	2	5.16%
Greene Memorial Hospital	Health Care	821	3	4.18%
Walmart	Retail	510	4	2.60%
Kroger	Grocery	279	5	1.42%
City of Xenia	Government	247	6	1.26%
Super Valu	Distribution	233	7	1.19%
Hospice of Dayton	Health Care	195	8	0.99%
Mcdonalds Restaurants	Food Services	192	9	0.98%
Reddy Electric	Construction	180	10	0.92%
Total		<u>5,098</u>		
Total Employment within the City		<u><u>19,649</u></u>		

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

Sources:

City of Xenia Income Tax Department

Data is not available prior to 2007.

City of Xenia

Full Time Equivalent Employees by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Finance	17.00	17.00	17.50	16.50	18.50
Legal/Court	29.75	30.75	30.75	30.50	29.75
Administration	9.00	8.00	7.00	6.00	6.00
Information Technology	0.00	0.00	0.00	0.00	0.00
Security of Persons and Property					
Police	74.00	74.00	69.00	69.00	69.00
Fire	45.00	45.00	42.00	42.00	42.00
Transportation					
Street	19.75	19.75	18.50	18.50	18.50
Garage	0.00	0.00	0.00	0.00	0.00
Leisure Time Activities					
Recreation/Seniors	0.00	5.00	4.50	4.50	4.50
Parks	0.00	0.00	0.00	0.00	0.00
Community Environment					
Service	12.00	11.25	9.00	9.00	9.00
Development/Planning	0.00	0.00	0.00	0.00	0.00
Engineering	0.00	0.00	0.00	0.00	0.00
Business-Type Activities					
Utilities					
Water	15.00	15.00	14.00	13.00	13.00
Sewer	6.00	6.00	6.00	6.00	6.00
Solid Waste	10.00	10.00	10.00	10.00	10.00
Storm Water	0.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>237.50</u>	<u>241.75</u>	<u>228.25</u>	<u>225.00</u>	<u>226.25</u>

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

Source: City Finance Director's Office

City of Xenia

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
18.50	18.50	15.00	15.00	15.50
29.00	30.50	32.00	32.00	30.75
6.00	6.00	5.00	5.00	5.00
0.00	0.00	2.00	2.00	2.00
70.00	70.00	67.00	65.00	65.00
43.00	42.00	41.00	41.00	43.00
16.00	16.50	9.00	6.00	6.00
0.00	0.00	2.00	2.00	2.00
4.25	4.50	0.00	0.00	0.00
0.00	0.00	1.50	1.50	1.50
10.00	8.00	0.00	0.00	0.00
0.00	0.00	4.00	4.00	6.00
0.00	0.00	4.00	4.00	3.00
14.50	15.50	19.00	4.00	18.00
16.00	16.00	15.00	0.00	15.00
0.00	0.00	0.00	1.00	1.00
0.00	0.00	0.00	2.00	2.00
<u>227.25</u>	<u>227.50</u>	<u>216.50</u>	<u>184.50</u>	<u>215.75</u>

City of Xenia

Operating Indicators by Function Last Ten Years

	2002	2003	2004	2005
Governmental Activities				
General Government				
Court				
Number of Probation Cases	598	558	639	619
Number of Traffic Cases	12,155	11,766	11,289	12,095
Licenses and Permits				
Number of Residential Constructions	104	109	116	104
Number of Commercial Constructions	21	17	13	20
Security of Persons and Property				
Police				
Number of Citations Issued	2,207	2,377	3,064	2,869
Number of Arrests	1,947	1,837	1,841	1,927
Number of Accidents	640	611	621	597
Fire				
Number of Fire Calls	918	851	813	818
Number of EMS Runs	3,291	3,421	3,532	3,803
Number of Inspections	48	69	39	205
Transportation				
Street				
Number of Streets Resurfaced	6	5	7	11
Leisure Time Activities				
Recreation/Seniors				
Number of Programs Offered***	N/A	8	8	9
Number of Shelter Rentals	N/A	N/A	N/A	N/A
Business-Type Activities				
Water				
Number of Service Connections	10,184	10,346	10,346	10,380
Daily Average Consumption (millions of gallons)	3.6	3.9	3.9	3.9
Peak Daily Consumption (millions of gallons)	8.0	8.0	8.0	8.0
Sewer				
Number of Service Connections	10,025	10,184	10,184	10,436
Daily Average Sewage Treatment (millions of gallons)	4.9	4.9	4.9	4.9
Solid Waste *				
Number of Customers Served	N/A	N/A	N/A	9,232
Stormwater **				
Number of Customers Served	N/A	N/A	N/A	N/A

Source: City Finance Director's Office

* Billing for Solid Waste started in 2005

** Billing for Stormwater started in 2007

*** Eliminated City Basketball, Cheerleading, and the Cheerleading Expo in 2009

City of Xenia

2006	2007	2008	2009	2010	2011
561	802	796	795	803	738
10,445	9,624	10,252	7,871	7,552	7,622
61	123	91	26	53	3
5	4	4	2	1	6
2,430	2,974	4,347	2,078	1,818	3,420
2,022	1,034	2,985	2,240	2,068	2,381
567	610	535	609	659	553
889	984	1,210	875	819	957
3,715	3,437	3,752	3,543	3,470	3,676
135	255	141	185	72	345
7	4	9	7	0	28
9	8	8	5	14	14
178	130	132	145	166	68
11,235	10,720	10,733	10,782	10,800	10,808
4.4	3.6	3.2	3.2	3.1	2.5
8.0	8.0	8.0	8.0	8.0	8.0
11,103	10,692	10,635	10,664	10,680	10,690
4.9	4.8	5.0	4.1	4.0	5.4
9,444	9,760	9,512	9,496	9,543	9,495
N/A	10,038	9,992	10,041	10,024	10,056

City of Xenia

Capital Asset Statistics by Function Last Ten Years

	2002	2003	2004	2005
Governmental Activities				
General Government				
Land (acres)	7,680	7,680	7,680	7,680
Public Safety				
Police				
Stations	1	1	1	1
Vehicles	N/A	N/A	N/A	N/A
Fire				
Stations	2	2	2	2
Vehicles	N/A	N/A	N/A	N/A
Highways and Streets				
Streets (lane miles)	115	115	115	108
Street Lights	1,753	1,753	1,784	1,784
Traffic Signals	N/A	N/A	37	38
Recreation				
Land (acres)	122	122	122	133
Buildings/Shelters	16	16	16	18
Parks	11	11	11	15
Playgrounds	11	11	11	15
Tennis Courts	1	1	1	1
Baseball/Softball Diamonds	6	6	6	6
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	141	141	141	141
Pump Stations	1	1	1	1
Average Daily Consumption	3.6 (mgd)	3.9 (mgd)	3.9 (mgd)	3.7 (mgd)
Storage Capacity (thousands of gallons)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)
Sewer				
Sewerlines (Miles)	146	146	146	146

Source: City Finance Director's Office

City of Xenia

2006	2007	2008	2009	2010	2011
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
27	24	28	30	22	22
2	2	2	2	2	2
11	11	12	12	11	11
135	135	135	219	219	219
1,784	1,826	1,961	1,961	2,124	2,134
40	32	38	38	40	40
133	122	122	122	120	120
18	17	20	20	12	12
15	15	15	15	14	14
15	12	12	12	13	13
1	1	0	0	0	0
6	7	1	1	3	3
2	2	2	2	0	0
141	140	140	140	140	142
1	1	1	1	1	1
4.4 (mgd)	3.6 (mgd)	3.2 (mgd)	3.2 (mgd)	3.1 (mgd)	2.5 (mgd)
8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)	8 (mgd)
146	145	145	146	146	146

City of Xenia

Capital Asset Values by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Land and Improvements	\$259,130	\$259,130	\$259,130	\$259,130	\$259,130
Buildings	2,534,605	2,534,605	2,534,605	2,534,605	2,536,475
Equipment	1,292,224	1,348,790	1,376,298	1,391,039	1,596,606
Public Safety					
Land and Improvements	78,238	78,238	78,238	76,022	90,537
Buildings	247,893	247,983	273,206	273,206	722,216
Equipment	3,911,367	4,707,058	4,901,393	4,868,979	5,705,316
City Wide					
Land and Improvements	4,775,944	15,574,694	15,810,220	16,092,702	16,302,572
Buildings	2,734,465	2,748,335	2,748,335	2,748,335	2,751,955
Equipment	1,921,732	8,693,004	8,932,617	9,206,205	9,699,307
Infrastructure	408,007	11,022,587	11,411,839	11,811,580	12,831,760
Construction in Progress	1,029,296	28,500	28,500	854,397	385,027
Business-Type Activities					
Utilities					
Water					
Land and Improvements	125,712	133,036	133,036	134,606	134,606
Buildings and Improvements	2,865,365	2,865,365	2,870,415	2,870,415	2,870,415
Equipment	12,342,236	12,477,225	12,655,820	13,016,872	13,687,880
Construction in Progress	0	0	0	112,538	71,499
Sewer					
Land and Improvements	482,817	482,817	483,946	483,946	483,946
Buildings and Improvements	5,226,336	5,276,700	5,276,700	5,282,350	5,282,350
Equipment	22,029,873	21,998,953	22,762,638	23,228,559	23,685,875
Construction in Progress	15,112	52,291	226,155	0	28,364
Sanitation					
Land and Improvements	4,741	4,741	4,741	2,691	2,691
Buildings and Improvements	40,108	40,108	40,108	40,108	40,108
Equipment	679,254	741,757	741,757	741,757	744,443
Construction in Progress		0	0	0	14,182
Stormwater					
Equipment	N/A	N/A	N/A	N/A	N/A

City of Xenia

2007	2008	2009	2010	2011
\$259,130	\$259,130	\$259,130	\$259,130	\$259,130
2,512,829	2,512,829	2,793,757	2,804,149	2,812,649
1,111,705	1,118,943	1,240,923	1,260,554	1,274,600
77,019	77,019	77,019	77,019	116,875
701,839	701,839	956,607	1,233,558	1,283,652
4,054,259	4,527,109	5,212,833	4,789,357	4,989,302
16,524,117	16,947,652	17,147,703	17,228,303	18,079,476
2,733,586	2,733,586	2,759,157	2,703,757	2,719,757
2,103,334	2,194,792	2,379,763	2,180,065	2,255,954
13,256,761	13,819,509	15,065,947	15,247,920	15,763,408
120,618	850,778	273,106	685,664	1,625,763
177,094	177,094	214,794	214,794	214,794
2,870,415	2,870,415	2,870,415	2,900,634	2,900,633
13,677,245	15,380,109	16,275,077	16,137,407	16,522,904
1,185,632	568,770	10,102	239,542	838,962
511,522	563,802	563,802	563,802	580,303
5,265,451	5,265,451	5,294,792	5,353,000	6,857,781
23,764,397	25,290,062	25,469,564	25,477,355	26,566,972
805,505	0	212,444	2,351,012	124,916
0	0	0	0	0
40,108	105,703	105,703	93,730	93,730
761,167	761,167	778,320	778,320	784,865
6,560	0	0	0	0
7,767,217	8,740,317	8,740,317	8,801,902	8,801,902

(Continued)

City of Xenia

*Capital Asset Values by Function
Last Ten Years*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Other Enterprise					
Land and Improvements	185,521	181,352	181,352	181,352	181,352
Buildings and Improvements	101,837	101,837	101,837	101,837	101,837
Equipment	50,306	45,054	46,784	49,052	74,052
Construction in Progress	0	0	0	0	348,457

Source: City Finance Director's Office

City of Xenia

2007	2008	2009	2010	2011
154,681	154,681	154,681	154,681	263,951
101,837	101,837	0	0	0
54,430	54,430	0	20,081	20,081
89,285	42,470	0	56,301	0





Dave Yost • Auditor of State

CITY OF XENIA

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 04, 2012