



**Auditor of State
Betty Montgomery**

**CITY OF CHILLICOTHE
ROSS COUNTY**

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**CITY OF CHILLICOTHE
ROSS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation:</i>			
Formula Grants for other than Urbanized Areas	RPT-4071-019-003	20.509	<u>\$501,148</u>
U.S. DEPARTMENT OF COMMERCE			
Economic Adjustment Assistance	316400221	11.307	<u>151,077</u>
U.S. DEPARTMENT OF JUSTICE			
Local Law Enforcement Block Grants Program	316400221	16.592	6,000
<i>Passed Through Ohio Office of Crime Victims Services:</i>			
Crime Victim Assistance	VAGENE394N	16.575	33,138
TOTAL U.S. DEPARTMENT OF JUSTICE			<u><u>39,138</u></u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed Through Ohio Emergency Management Agency :</i>			
Public Assistance Grants	DR-1453	83.544	<u>24,132</u>
U.S. DEPARTMENT OF ENERGY			
<i>Passed Through Southern Ohio Diversification Initiative:</i>			
Worker and Community Transition Program	DE-FG05-980R22650	81.092	<u>126,168</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants/States Program:			
	A-C-01-104-1	14.228	197,605
	A-F-01-104-1	14.228	103,893
	A-N-01-104-1	14.228	12,030
	A-F-02-104-1	14.228	111,728
	A-M-01-104-1	14.228	5,487
	A-T-01-104-1	14.228	245,764
<i>Total Formula Allocation Program</i>			<u>676,507</u>
HOME Investment Partnerships Program	A-C-01-104-2	14.239	34
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u><u>676,541</u></u>
Total Federal Awards Expenditures			<u><u>\$1,518,204</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF CHILLICOTHE
ROSS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2003**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- MATCHING REQUIREMENTS

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Chillicothe
Ross County
35 South Paint Street
Chillicothe, Ohio 45601

To the City Council:

We have audited the financial statements of the City of Chillicothe, Ross County, Ohio, (the City) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 7, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 7, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City in a separate letter dated May 7, 2004.

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

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

Betty Montgomery
Auditor of State

May 7, 2004



Auditor of State Betty Montgomery

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

City of Chillicothe
Ross County
35 South Paint Street
Chillicothe, Ohio 45601

To the City Council:

Compliance

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

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

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

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over compliance, which we have reported to management of the City in a separate letter dated May 7, 2004.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 7, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of federal awards expenditures is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

May 7, 2004

**CITY OF CHILLICOTHE
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Formula Grant for other than Urbanized Areas; CFDA #20.509 Worker and Community Transition Program; CFDA # 81.092
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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City of Chillicothe, Ohio Comprehensive Annual Financial Report

William D. Morrissey

Chillicothe City Auditor



For the Year Ended December 31, 2003

Prepared by the Office of the City of Chillicothe Auditor

CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
For the Year Ended December 31, 2003

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CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
For the Year Ended December 31, 2003

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CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
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CITY OF CHILICOTHE — Ohio's First Capital

WILLIAM D. MORRISSEY, City Auditor



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May 7, 2004

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

FROM: City Auditor William D. Morrissey and Staff

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Chillicothe for the year ended December 31, 2003. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2003. It is intended to provide all pertinent and necessary information to the Citizens of Chillicothe.

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

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

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

The CAFR Report

This CAFR is presented in three basic sections: The introductory section which includes the table of contents, this transmittal letter, a reproduction of the 2002 Certificate of Achievement Award, a list of City Officials and a complete organizational chart. The second section is the financial section, which contains the State Auditor's Office opinion letter, MD&A, basic financial statements, notes to these statements and all pertinent financial information for the year 2003. The third section is the statistical section including a ten year cash summary report, by fund, of revenue and expenditures for all departments and funds.

State Audit

The 2003 basic financial statements were audited by the State of Ohio Auditor's Office. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls and tests of transactions. The State Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35 and 50 just 45 miles south of Columbus, Ohio, our City covers 10.95 square miles and has approximately 21,796 citizens according to the latest census. The City has 12 public parks consisting of 224 acres, ten public schools, two parochial school, a branch of Ohio University and two public libraries.

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

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

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

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

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

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

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

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

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

The City employ's 312 people, both full-time and permanent part-time, to serve the citizens of Chillicothe in the various departments described as follows: Public Safety (Police, Fire and School Patrol), Recreation (Parks and Recreation), Utilities (Water, Sewer, Sanitation), Transportation (Bus System), Community Environment (Planning, Zoning, Economic Development), Streets (Engineering and Service Departments), General Government (Administrative services including Municipal Court), and Finance (including Auditor, Tax Auditor and Treasurer).

Economic Outlook

The economy in Chillicothe and Ross County was again fair for the third year. Kenworth Truck Company and PACCAR, the parent company did well as did Adena Regional Medical Center (ARMC), while Horizon Communications and MeadWestvaco had a much tougher economic climate to deal with.

Adena Health System, one of the largest employers in Chillicothe/Ross County, experienced significant progress in 2003. Early in the year, the System opened a new outpatient counseling center in Chillicothe. The new facility provides individual and group counseling services to the people of Chillicothe and surrounding communities in a private, comfortable and convenient setting.

Substantial portions of the \$10 million Ambulatory Care construction and renovation project at Adena Regional Medical Center were completed in 2003. This project saw the replacement of Adena's 10 year old cardiac catheterization laboratory and provided space for a second cardiac catheterization laboratory in the future. The project also provided a second Computerized Tomography scanner; added a seventh operating room; expanded Same Day Surgery intake and recovery areas; consolidated the ARMC women's imaging center; and provided a dedicated area for outpatient diabetes and nutrition counseling.

Other developments at Adena Regional included the addition of an open Magnetic Resonance Imaging (MRI) unit; the development of a comprehensive Breast Health program; and the implementation of a Nurse Midwife program to meet the needs of the medically under privileged.

Adena recruited more than 20 physicians to Chillicothe and surrounding communities in 2003.

Adena's total earnings in 2003 were nearly \$294 million, with a net revenue of \$167 million. Across the System, Adena had nearly 12,000 admissions representing 41,400 days of patient care. Adena Regional recorded 1,050 births in 2003. There were nearly 45,900 emergency department visits and 357,000 outpatient visits.

More than 1,700 people are employed by Adena, representing a full-time equivalent of 1,403. Employee wages and benefits accounted for \$89,723,122 in expense for the Health System. Adena's Medical Staff numbered 236 physicians at the end of 2003 and 285 volunteers provided services to patients and families.

PACCAR and Kenworth had an outstanding year in 2003. PACCAR delivered over 93,000 trucks worldwide. Earnings were the second highest in the 98 year history of the company.

The North American truck market in 2003 was similar to that of the previous year. Moderate economic growth was tempered by higher fuel prices and an extended replacement cycle by trucking companies. The market for Class 8 trucks was 178,000 versus 100,000 in 2002. PACCAR achieved a 23.5% share of the North American market.

One of the major highlights in 2003 was Peterbilt and Kenworth earning the highest awards in all four segments of the prestigious J.D. Power & Associates Heavy Duty Truck Customer Satisfaction survey.

Despite an extremely challenging business environment in 2003, MeadWestvaco's Chillicothe mill had a solid performance in areas it can control. The mill's manufacturing equipment operated within target parameters and product quality was excellent in 2003. The Chillicothe mill remained focused on controlling cost throughout the year and safety performance targets were achieved.

Highlights from 2003 include the successful installation of a coated paper sheeter and the introduction of a new magnetic paper product called MagneCote. Total paper production in 2003 was 321,000 tons. In addition, the Chillicothe operation sheeted an additional 152,000 tons of paper. There were just under 1,800 employees with annual wages at \$99,700,000.

Priorities in 2004 include continued focus on productivity and safety improvements, innovation through new product development, and capital improvements on the mill's No. 12 carbonless coater.

Horizon Communications had a difficult year with the PCS division declaring Chapter 11 bankruptcy and reducing their overall employment level by 300 jobs. In the current communications marketplace, conditions are not very favorable for 2004.

The unemployment rate in Ross County at the end of 2003 was 7.1% as compared with 6.0% for the State.

City income tax revenue for 2003 was \$9,415,341, which was a decrease of \$145,446 or 1.54%. County sales taxes were \$10,236,733, a decrease of \$13,721 or .13%. Strong growth continues to be evident in residential housing construction throughout the County and in the retail sector of our economy. The population of Ross County is currently estimated at 73,000.

Tourism continues to be a very important area of our economy especially in 2003. This was our Bicentennial Celebration as Ohio's first Capital. Hotel-motel taxes of \$180,739 in 2003 were up \$7,822.

Major Initiatives

The year 2003 again saw many areas of our City's infrastructure and business community enhanced through efforts and projects such as the following:

- ▶ Construction of the final section of Route 35 southeast of Chillicothe was started in June, 2002. This will complete a four lane highway from Washington C.H., Ohio to the Ohio River in Gallipolis, thus finally eliminating a very dangerous stretch of highway. This project is expected to be completed by July, 2004 at a cost of \$45,000,000.
- ▶ HUD grants totaling \$306,007 were utilized in areas such as fair housing, rental and private rehabilitation, park improvements, and emergency home repair.
- ▶ As part of the annexation agreement for the properties on North Bridge Street, the City reimbursed the Trustees of Springfield and Scioto Townships \$47,038. 2003 was the last installment on this agreement.
- ▶ The City's capital improvements included:
 - \$17,780 for line stopping equipment in the Water department; \$114,700 to purchase new Police vehicles; \$19,900 for new Income Tax software; \$33,715 for a Bobcat loader for the Parks department; \$58,397 for new 20 passenger bus; \$22,600 for a Medtronic Lifepak 12 and \$88,948 for new Ambulance for the Fire department; and \$61,000 donated for the Bicentennial.
- ▶ The C.S.X. property on Watt Street was purchased and money was appropriated to develop plans for the future home of transit, service and engineering buildings. A brownfield grant was applied for to help with the infrastructure needs of this project.
- ▶ 490 acres west of Chillicothe in the Sunrush area were annexed with the City committing to pay \$508,000 in improvements and \$50,000 to Scioto Township for lost future revenues.
- ▶ \$264,000 was spent on street and alley maintenance.
- ▶ The project to increase water pressure in Clayburne Heights subdivision was completed.
- ▶ The entrance to Yoctangee Park was partially completed in 2003 and will be completed in 2004 at a total cost of \$286,000.
- ▶ The City accepted the land at the head of Yoctangee Park where two cabooses are located.

- ▶ The City accepted 43.02 acres of land donated by Sunrush Enterprises for a soccer complex.
- ▶ The City reimbursed Sunrush Enterprises \$68,000 for turn lane improvements at the Alum Bluff crossing.
- ▶ Building permits totaled \$117,172 in 2003 for \$19,194,958 in new construction and major rehab work.
- ▶ The local contractor registration ordinance that was passed in 1996 resulted in registering more than 363 contractors and fee revenue of \$18,900.
- ▶ The additional \$5 in the refuse fee per month per household was extended for another year.
- ▶ The Chillicothe Improvement Corporation sold the Bosch plant to Rocal of Frankfort, Ohio allowing them to expand their facility for future growth.
- ▶ A 12" water line was extended to the Route 104 Industrial Park.
- ▶ Congressman, Bob Ney, opened a district Congressional office in Chillicothe. This is the first time a Congressman has had a permanent office here.
- ▶ The Veterans Parkway bypass connection between Pleasant Valley Road and Route 50 west was completed at a cost of \$2,800,000.
- ▶ Angle parking was implemented downtown on Paint Street between Main and Water Streets.
- ▶ The City refinanced two bond issues saving the City \$1,567,848 over the life of the bonds.
- ▶ Marietta Road was extended to the west side of Bridge Street to improve access to the new Walgreens and Applebee's.
- ▶ \$300,000 was spent to do rehab work on the collapsed Douglas Avenue sanitary sewer line.
- ▶ MeadWestvaco donated \$300,000 to the Historical Society for their legacy building project.
- ▶ The retail industry continued its growth with the opening of BW3, The Filling Station, Walgreens Drug Store, Dakotas Roadhouse and CiCi's Pizza.
- ▶ The historic Carlisle Building in the center of downtown caught fire and suffered serious damage jeopardizing its future as a viable structure.
- ▶ The Boston Pops Orchestra performed at the Veterans Administration Stadium to a crowd of over 7,000 in July, 2003. This was part of an ongoing series of Bicentennial events that marked the City's 200th year.
- ▶ The Big Bear Corporation filed bankruptcy resulting in the closure of the local store. This location reopened within two weeks as a Community Market grocery store.

Future Initiatives

The year 2004 is expected to see many new initiatives started which will enhance our City.

Some other area developments that are planned to enhance our growth and progress are:

- ▶ A connector road and bridge is planned between Route 104 and Route 23 just north of Delano Road. Planned completion is 2004. This total project will cost \$9 to \$10 million.
- ▶ Credit cards were approved to be used in Municipal Court for payment of fines. It is expected that eventually this service will be utilized in the utilities and income tax departments.
- ▶ The addition of sewers for the Neenah Garden area is in the planning stage.
- ▶ Plans continue to develop the Herron property on Route 23 north, which is 800 acres and will include a full range of usage for jobs, retail and housing.

- ▶ \$300,000 has been approved to construct sanitary sewer lines on the east side of North Bridge Street north of the Chillicothe Mall.
- ▶ Goldie Gunlock Memorial Park will be developed as a wetlands preserve at no cost to the City.
- ▶ Expansion of our park facilities will continue with the addition of a 40 acre soccer complex on land donated by Sunrush Enterprises west of our City.
- ▶ Plans continue to develop an extension of the bike path north of the City along the south side of Route 35 to eventually connect with the path to Frankfort, Ohio.

Budgetary Controls

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

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

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

Internal Controls

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

One of the objectives of the annual audit by the State Auditor's Office is a review of these internal controls to provide reasonable assurance to the security of the City's assets.

Cash Management

The City Auditor is responsible for investing all the City's funds and accomplishes this by investing in certificates of deposit and Treasury Notes with our local banks. These certificates of deposit range in length from thirty days to one year and are awarded on a bid basis to the institution having the best bid whenever an investment is to be made. In addition, our City takes advantage of every opportunity to earn interest on all other funds including the float on outstanding checks and funds being held by bond trustees. Interest earned on all investments is designated to the General Fund by law. The only exception being for specifically designated trustee funds and borrowed funds for major projects such as those within the Water and Sewer Funds and Debt Service Fund.

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

Risk Management

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

The City manages health and dental benefits for its employees through a self-insured program. A third party administrator processes these claims.

The City also participates in the Workers' Compensation Program offered by the State of Ohio.

More detailed information about the insurance programs in force at December 31, 2003 is included in Note 18 of the Notes to the Basic Financial Statements.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chillicothe for its **Comprehensive Annual Financial Report (CAFR)** for the year ended December 31, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Chillicothe has now received a Certificate of Achievement for each of the years ended December 31, 1991 through December 31, 2002. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgment

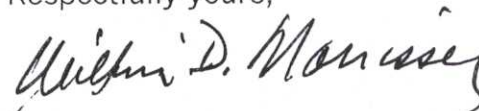
This Comprehensive Annual Financial Report for the City of Chillicothe is the thirteenth for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand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

I would first like to thank all members of my staff who are listed on page 12 and especially my Office Manager, Donna Taylor, who spent many hours compiling and entering the data for this report.

I would also like to thank J. L. Uhrig & Associates, C.P.A. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein. Our thanks also to the State of Ohio Auditor, Betty Montgomery's staff for their assistance and helpful service throughout the 19 years I have served as Chillicothe City Auditor.

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

Respectfully yours,



William D. Morrissey
Chillicothe City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chillicothe,
Ohio

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

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



President

Executive Director

CITY OF CHILLICOTHE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

Prepared by Office of City Auditor

CITY OFFICIALS

MAYOR

Margaret F. Planton
Term Expires 12-31-03
President of Council 1-1-96 to 3-26-97
Member of Council 1-1-90 to 12-31-95

CITY COUNCIL

Robert L. Shultz
President
Term Expires 12-31-03

Thomas Trutschel
Term Expires 12-31-03
Fourth Term - 1st Ward

Eric Rinehart
Term Expires 12-31-03
Second Term - 2nd Ward

Margaret Daniels
Term Expires 12-31-03
Second Term - 3rd Ward

Michael Scholl
Term Expires 12-31-03
Fourth Term - 4th Ward

William Bonner
Term Expires 12-31-03
Third Term - 5th Ward

William Taylor
Term Expires 12-31-03
Fourth Term- 6th Ward
Partial Term 7-95-12-31-95

Joseph Herlihy
Term Expires 12-31-03
Third Term - At Large

Diane Carnes
Term Expires 12-31-03
Second Term - At Large

Bartow Henshaw
Term Expires 12-31-03
First Term - At Large

CITY AUDITOR

William D. Morrissey
19 years of Service
Term Expires 12-31-05

CITY TREASURER

David A. Neal
Second Term Expires 12-31-05
Partial Term Expired 12-31-97

DIRECTOR OF LAW

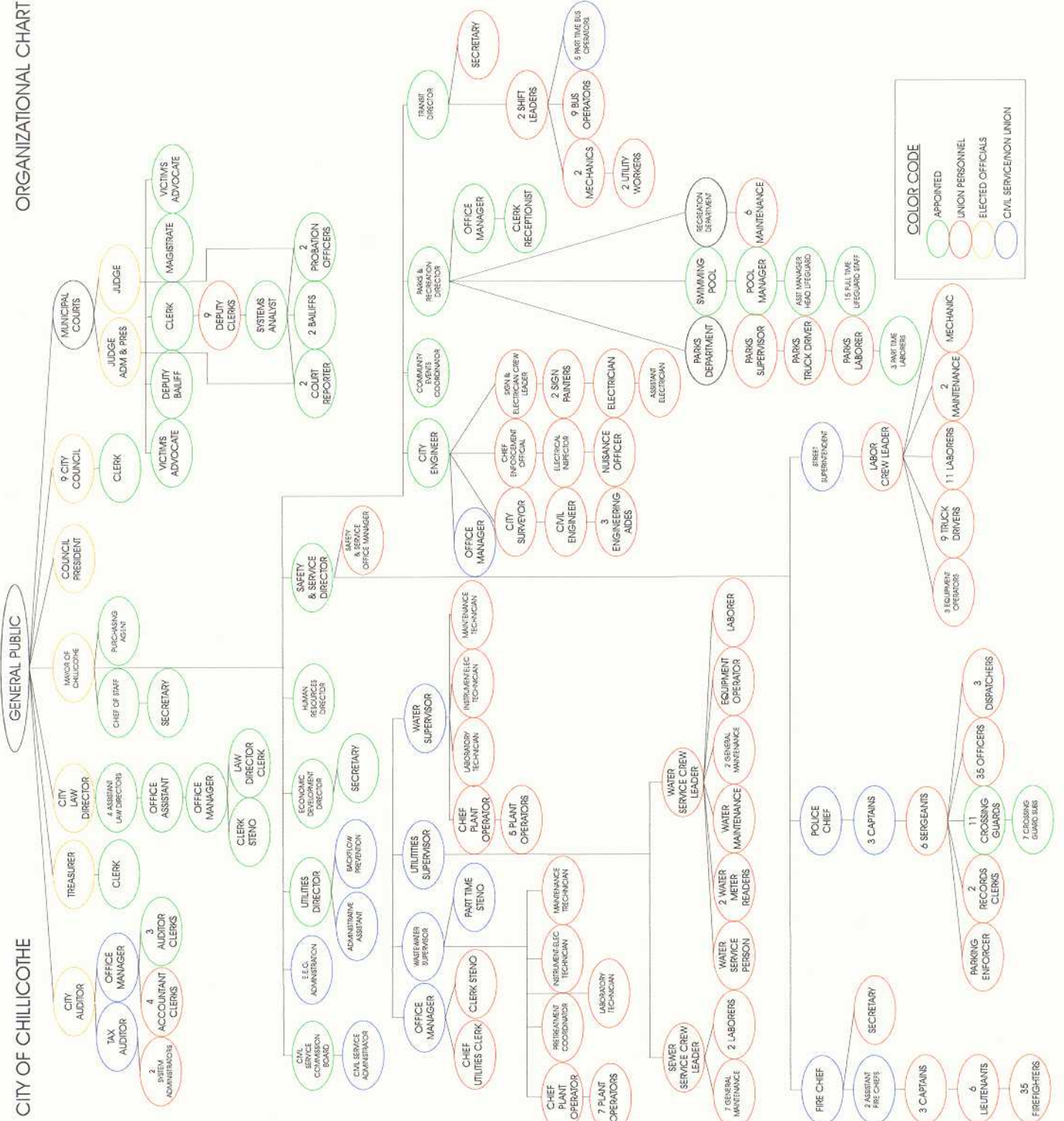
Edward R. Bunstine III
Third Term Expires 12-31-03
Partial Term 9-93 - 12-31-95

CITY OF CHILLICOTHE, OHIO
LISTING OF APPOINTED OFFICIALS

ENGINEER	Don Sherman
ADMINISTRATIVE DIRECTOR	Wayne McLaughlin
UTILITIES DIRECTOR	Richard Johnson
SAFETY/SERVICE DIRECTOR	Randy Sneddon
DIRECTOR ECONOMIC DEVELOPMENT	Matthew Allen
COMMUNITY EVENTS COORDINATOR	Carolyn Ault
RECREATION DIRECTOR	Brad Cosenza
CLERK OF COUNCIL	John Fosson
ASSISTANT LAW DIRECTOR	James E. Barrington
ASSISTANT LAW DIRECTOR	Toni Eddy
ASSISTANT LAW DIRECTOR	Carl Hirsch
ASSISTANT LAW DIRECTOR	Robert C. Hess

ORGANIZATIONAL CHART

CITY OF CHILLICOTHE



COLOR CODE

- APPOINTED
- UNION PERSONNEL
- ELECTED OFFICIALS
- CIVIL SERVICE/UNION

CITY OF CHILLICOTHE, OHIO
2003 CITY AUDITOR'S STAFF

CITY AUDITOR	William D. Morrissey
AUDITOR/INCOME TAX ADMINISTRATOR DEPUTY AUDITOR	Donna J. Taylor
TAX AUDITOR	Julie A. Parker
SYSTEM ADMINISTRATOR	Linda J. Tackett
SYSTEM ADMINISTRATOR	Kathy L. Knece
ACCOUNTING CLERK	Holly Cousins
ACCOUNTING CLERK	Mary Schmidt
ACCOUNTING CLERK	Melinda Fisher
ACCOUNTING CLERK	Heidi Leasure
AUDITOR'S CLERK	Lorinda Wisecup
AUDITOR'S CLERK	Amy Wagner
AUDITOR'S CLERK	Karol Specht



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Chillicothe
Ross County
35 South Paint Street
Chillicothe, Ohio 45601

To the City Council:

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the *Governmental Accounting Standards Board* requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, non-major fund statements and schedules, and statistical tables are not a required part of the basic financial statements. We subjected the non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and the statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

May 7, 2004

City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2003. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

Financial Highlights

1. The City's total net assets decreased \$2,650,968; net assets of the governmental activities decreased \$2,333,868; and net assets of the business-type activities decreased \$317,100.
2. The General Fund balance of \$2,827,761 decreased \$699,599 or 19.83% from the previous year's balance of \$3,527,360. This was a result of increased expenses in salaries and fringe benefits.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found starting on page 22 of this report.

City of Chillicothe, Ohio

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and by bond covenants. However, the Auditor establishes many other funds to help control and manage money for particular purposes or to show that the City is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Chillicothe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The City of Chillicothe maintains 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund and Bond Retirement Fund, which are considered to be major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions.

The *statement of net assets* and the *statement of activities* include all assets and liabilities using the full accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The City of Chillicothe as a Whole

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

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

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$9,180,950	\$10,628,335	\$12,326,880	\$11,808,547	\$21,507,830	\$22,436,882
Capital Assets, Net	49,468,339	50,943,707	42,153,011	42,856,529	91,621,350	93,800,236
<i>Total Assets</i>	<u>58,649,289</u>	<u>61,572,042</u>	<u>54,479,891</u>	<u>54,665,076</u>	<u>113,129,180</u>	<u>116,237,118</u>
Liabilities						
Current and Other Liabilities	2,536,697	2,975,870	2,641,436	3,900,189	5,178,133	6,876,059
Long-Term Liabilities:						
Due within One Year	1,167,466	1,118,838	1,339,568	1,228,658	2,507,034	2,347,496
Due in More Than One Year	5,062,573	5,260,913	14,177,530	12,897,772	19,240,103	18,158,685
<i>Total Liabilities</i>	<u>8,766,736</u>	<u>9,355,621</u>	<u>18,158,534</u>	<u>18,026,619</u>	<u>26,925,270</u>	<u>27,382,240</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	47,457,882	48,771,086	25,500,895	25,822,287	72,958,777	74,593,373
Restricted for:						
Debt Service	62044	104,236	1,655,677	1,818,776	1,717,721	1,923,012
Capital Projects	697,867	769,089	3,138,244	3,603,889	3,836,111	4,372,978
Permanent Fund Purpose:						
Expendable	1,967	1,927	0	0	1,967	1,927
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Other Purposes	2,586,624	2,405,852	0	0	2,586,624	2,405,852
Unrestricted (Deficit)	(924,831)	163,231	6,026,541	5,393,505	5,101,710	5,556,736
<i>Total Net Assets</i>	<u>\$49,882,553</u>	<u>\$52,216,421</u>	<u>\$36,321,357</u>	<u>\$36,638,457</u>	<u>\$86,203,910</u>	<u>\$88,854,878</u>

The City's total net assets decreased from \$88,854,878 in 2002 to \$86,203,910 in 2003, a change of \$2,650,968 or 2.98%.

This decrease in the City's total net assets is the result of a decrease in the net assets of the governmental activities of \$2,333,868 or 4.4% and an decrease in the net assets of the business-type activities of \$317,100 or .87%.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

For the governmental activities, the City is optimistic that the implementation of a billing process for emergency medical services and changes to the income tax filing process will enhance revenues, and the City continues to review expenses for various cost containment measures in an effort to prevent any decrease in future net assets. For the business-type activities, the City increased water and sewer rates to aid in the support of the water and sewer operations.

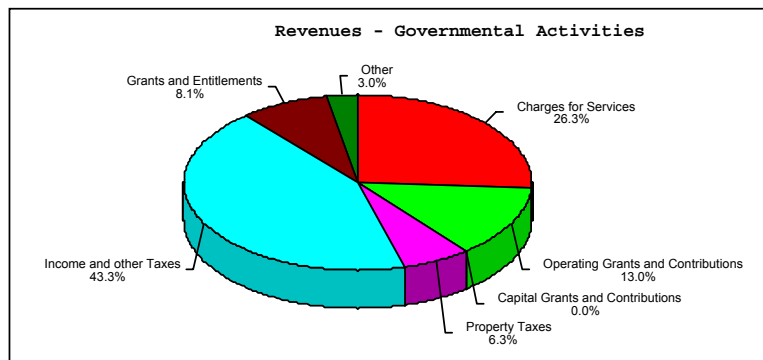
In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for years 2003 and 2002.

Changes in Net Assets

	Governmental Activities			Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002	
Revenues							
Program Revenues:							
Charges for Services	\$5,813,795	\$6,668,425	\$7,066,073	\$7,037,596	\$12,879,868	\$13,706,021	
Operating Grants and Contributions	2,880,809	2,274,802	0	0	2,880,809	2,274,802	
Capital Grants and Contributions	7,052	0	0	669,347	7,052	669,347	
General Revenues:							
Property Taxes	1,403,955	1,360,426	0	0	1,403,955	1,360,426	
Income and other Taxes	9,586,465	9,728,457	0	0	9,586,465	9,728,457	
Grants and Entitlements	1,787,884	1,714,276	0	0	1,787,884	1,714,276	
Other	662,668	562,528	46,698	130,530	709,366	693,058	
Total Revenues	22,142,628	22,308,914	7,112,771	7,837,473	29,255,399	30,146,387	
Program Expenses							
General Government	8,395,001	9,713,452	0	0	8,395,001	9,713,452	
<i>Security of Persons and Property:</i>							
Police	5,373,841	4,729,681	0	0	5,373,841	4,729,681	
Fire	3,847,891	4,284,912	0	0	3,847,891	4,284,912	
Transportation	3,439,976	3,328,993	0	0	3,439,976	3,328,993	
Community Environment	1,024,969	828,369	0	0	1,024,969	828,369	
Basic Utility Services	936,233	880,834	0	0	936,233	880,834	
Leisure Time Activities	1,039,855	1,020,679	0	0	1,039,855	1,020,679	
Interest and Fiscal Charges	270,135	180,222	0	0	270,135	180,222	
Water and Sewer	0	0	7,578,466	6,633,686	7,578,466	6,633,686	
Total Expenses	24,327,901	24,967,142	7,578,466	6,633,686	31,906,367	31,600,828	
Increase (Decrease) in Net Assets							
Before Transfers	(2,185,273)	(2,658,228)	(465,695)	1,203,787	(2,650,968)	(1,454,441)	
Net Transfers In (Out)	(148,595)	(5,406)	148,595	22,677	0	17,271	
Increase (Decrease) in Net Assets	(2,333,868)	(2,663,634)	(317,100)	1,226,464	(2,650,968)	(1,437,170)	
Net Assets at Beginning of Year	52,216,421	54,880,055	36,638,457	35,411,993	88,854,878	90,292,048	
Net Assets at End of Year	<u>\$49,882,553</u>	<u>\$52,216,421</u>	<u>\$36,321,357</u>	<u>\$36,638,457</u>	<u>\$86,203,910</u>	<u>\$88,854,878</u>	

Governmental Activities

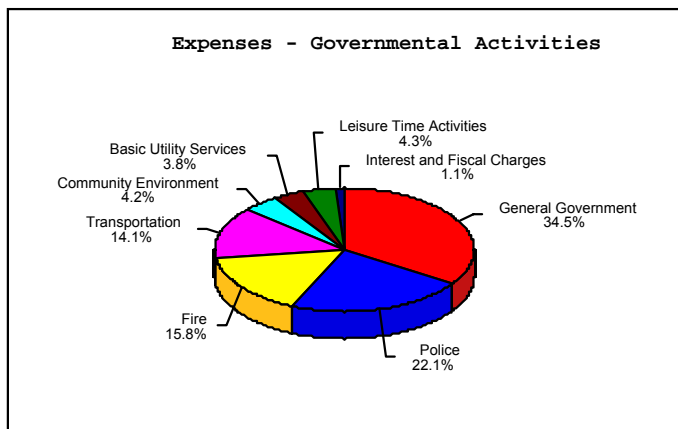
Governmental activities decreased the City's net assets by \$2,333,868. The primary reason for the decrease in net assets relates to an increase in expenses in safety forces, transportation, community environment, basic utility services, and leisure time activities. The major cost factors involved in these increases are salaries and fringe benefits, including medical insurance. Revenues were relatively stable except investment earnings which fell another 45.65% for the year.



The income and other tax revenue for 2003 was \$9,586,465. Of the \$22,142,628 in total revenues, income and other tax accounts for 43.3% of that total. Charges for services of \$5,813,795 account for 26.3% of total revenues. Operating and capital grants and contributions account for 13.0% of the total and grants and entitlements, property taxes, and other revenue make up the remaining 17.4%.

In 2003 charges for services decreased \$854,630 from 2002. This was mainly the result of a decrease in Municipal Court fines. Operating grants and contributions increased \$606,007 in 2003. This was due to an increase in HUD grants.

The City monitors its source of revenues very closely for fluctuations.



City of Chillicothe, Ohio

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

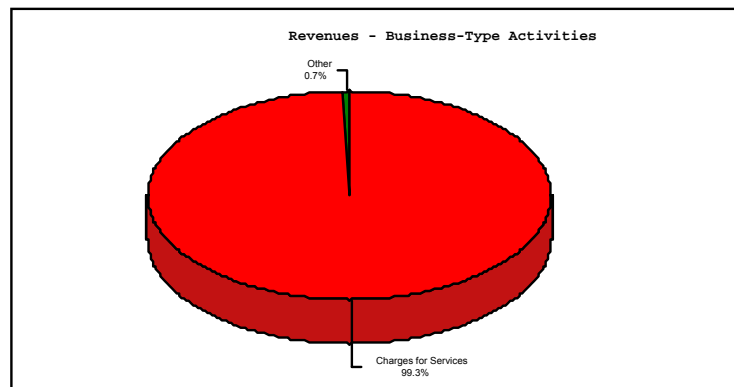
In 2003 general government expenses decreased \$1,318,451 due to fewer retirements and a decrease in accrued wages.

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest functional expense for the City was for security of persons and property, which include the Police and Fire departments.

Business-Type Activities

The business-type activities of the City, which include the City's water and sewer operations, decreased the City's net assets by \$317,100.

Net assets in business-type activities decreased \$317,100 due to a drop in revenue in water and sewer. This drop was impacted by a decrease in water usage due to a very wet summer.



Financial Analysis of the City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting.

The General Fund is the chief operating fund of the City. At the end of 2003, the total fund balance for the General Fund was \$2,827,761 of which \$2,816,514 was unreserved.

During the current year, the fund balance of the City's General Fund decreased by \$699,599. The reduction in the General Fund balance is due to increased expenses in the Police, Fire, Law Director, and Municipal Court departments, as well as in transfers and other miscellaneous expenses. Throughout the City, increased medical costs were a significantly negative factor.

City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

The City refinanced the various purpose general obligation bonds during the year, which prompted a decrease in the net assets of the Bond Retirement Fund, leaving a balance of \$62,044 in net assets at the end of the year.

Proprietary Funds

The balance of the City's proprietary funds were significantly impacted by decreased usage due to a very wet summer, thereby causing a decrease in net assets in both the Water and Sewer Funds.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2003, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for an ordinance on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$15,030,023 and the final budgeted revenue amount was \$15,105,247.

The differences between the General Fund's original budget and final amended budget of expenditures were minor, except for the changes as follows:

- The most significant changes were \$330,871 additional appropriations in general government and \$162,779 in security of persons and property.

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31 (NET OF DEPRECIATION)

	Governmental Activities		Business-Type Activities	
	2003	2002	2003	2002
Land	\$6,291,379	\$6,291,379	\$1,889,017	\$1,889,017
Construction in Progress	281,971	0	0	2,551,685
Land Improvements	199,030	311,398	1,205	3,035
Buildings, Structures and Improvements	7,543,911	7,778,678	1,446,733	1,512,616
Plant and Facilities	0	0	18,289,398	16,186,769
Furniture, Fixtures, & Equipment	1,558,680	1,674,270	275,623	331,348
Infrastructure	33,593,368	34,887,982	20,251,035	20,382,059
Total	<u>\$49,468,339</u>	<u>\$50,943,707</u>	<u>\$42,153,011</u>	<u>\$42,856,529</u>

City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

Total capital assets for governmental activities of the City of Chillicothe for the year 2003 were \$49,468,339 or \$1,475,368 less than in 2002. This decrease was mostly due to the annual depreciation expense.

The decrease in business-type activities of \$703,518 was due primarily to the annual depreciation expense.

Additional information concerning the City's capital assets can be found in the Notes 7 to the basic financial statements.

As of December 31, 2003, the City of Chillicothe had \$19,060,000 in bonds, notes and loans outstanding with \$3,390,000 due within one year.

OUTSTANDING DEBT AT DECEMBER 31

	<u>2003</u>	<u>2002</u>
Governmental Activities		
General Obligation Bond Retirement Bonds:		
Various Purpose	\$1,895,000	\$2,045,000
Police and Fire Pension	510,000	525,000
	<u>2,405,000</u>	<u>2,570,000</u>
Total Governmental Activities	2,405,000	2,570,000
Business-Type Activities		
Water Revenue Bonds	11,350,000	12,070,000
Sewer Revenue Bonds	1,210,000	1,420,000
Sewer General Obligation Bonds	2,095,000	0
OWDA Loans	0	44,242
Water and Sewer Notes	2,000,000	3,500,000
	<u>16,655,000</u>	<u>17,034,242</u>
Total Business-Type Activities	16,655,000	17,034,242
Total	<u><u>\$19,060,000</u></u>	<u><u>\$19,604,242</u></u>

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

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

There is \$11,350,000 in water revenue bonds and \$1,210,000 in sewer revenue bonds.

The \$1,500,000 water note is for the water tower and the \$500,000 water note is for expanding utility service to the Route 104 industrial park.

City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2003

Unaudited

Additional information concerning the City's debt can be found in the notes to the basic financial statements.

Current Known Facts and Conditions

In spite of job losses at MeadWestvaco and Horizon Communication in the City, and Thompson Electronics in Circleville, Ohio totaling 1,200 people, City income tax decreased only 1.5% or \$145,446 in 2003. The long-term impact of this loss of jobs is unknown at this time.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City'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 the City Auditor's Office, 35 S. Paint Street, Chillicothe, Ohio 45601.

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City of Chillicothe, Ohio

Statement of Net Assets

December 31, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash & Cash Equivalents	\$3,532,956	\$6,079,479	\$9,612,435
Cash and Cash Equivalents in Segregated Accounts	234,616	0	234,616
Investment in City Treasury	1,000	0	1,000
Accounts Receivable	269,822	1,147,732	1,417,554
Intergovernmental Receivable	2,315,040	0	2,315,040
Income Tax Receivable	1,091,969	0	1,091,969
Property Tax Receivable	1,429,171	0	1,429,171
Other Taxes Receivable	81,438	0	81,438
Special Assessments Receivable	9,646	9,933	19,579
Materials and Supplies Inventory	78,688	20,555	99,243
Prepaid Items	136,604	47,339	183,943
Unamortized Bond Issue Costs	0	227,921	227,921
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	0	3,138,244	3,138,244
Cash & Cash Equivalents with Fiscal and Trustees	0	1,655,677	1,655,677
Nondepreciable Capital Assets	6,573,350	1,889,017	8,462,367
Depreciable Capital Assets, Net	42,894,989	40,263,994	83,158,983
Total Assets	<u>58,649,289</u>	<u>54,479,891</u>	<u>113,129,180</u>
Liabilities			
Accounts Payable	51,342	66,212	117,554
Contracts Payable	10,483	225,350	235,833
Accrued Wages Payable	112,171	20,104	132,275
Intergovernmental Payable	786,782	243,980	1,030,762
Accrued Interest Payable	11,913	54,577	66,490
Retainage Payable	8,285	0	8,285
Claims Payable	173,717	31,213	204,930
Deposits Held and Due to Others	1,192	0	1,192
Deferred Revenue	1,380,812	0	1,380,812
Notes Payable	0	2,000,000	2,000,000
<i>Long-Term Liabilities:</i>			
Due within One Year	1,167,466	1,339,568	2,507,034
Due in More Than One Year	5,062,573	14,177,530	19,240,103
Total Liabilities	<u>8,766,736</u>	<u>18,158,534</u>	<u>26,925,270</u>
Net Assets			
Investments in Capital Assets, Net of Related Debt	47,457,882	25,500,895	72,958,777
<i>Restricted for:</i>			
Debt Service	62,044	1,655,677	1,717,721
Capital Projects	697,867	3,138,244	3,836,111
<i>Permanent Fund Purpose:</i>			
Expendable	1,967	0	1,967
Nonexpendable	1,000	0	1,000
Other Purposes	2,586,624	0	2,586,624
Unrestricted (Deficit)	(924,831)	6,026,541	5,101,710
Total Net Assets	<u>\$49,882,553</u>	<u>\$36,321,357</u>	<u>\$86,203,910</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Activities

For the Year Ended December 31, 2003

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$8,395,001	\$4,015,529	\$191,123	\$7,052
<i>Security of Persons and Property:</i>				
Police	5,373,841	48,889	13,327	0
Fire	3,847,891	476,130	13,327	0
Transportation	3,439,976	173,248	1,780,686	0
Community Environment	1,024,969	0	878,746	0
Basic Utility Services	936,233	1,028,969	0	0
Leisure Time Activities	1,039,855	71,030	3,600	0
Interest and Fiscal Charges	270,135	0	0	0
Total Governmental Activities	24,327,901	5,813,795	2,880,809	7,052
Business-Type Activities				
Water	4,464,827	4,196,209	0	0
Sewer	3,113,639	2,869,864	0	0
Total Business-Type Activities	7,578,466	7,066,073	0	0
Totals	\$31,906,367	\$12,879,868	\$2,880,809	\$7,052

General Revenues

Property Taxes Levied for:

 General Purposes

Municipal Income Taxes Levied for:

 General Purposes

 Capital Outlay

Other Taxes

Grants and Entitlements not Restricted
to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year-Restated (See Note 4)

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$4,181,297)	\$0	(\$4,181,297)
(5,311,625)	0	(5,311,625)
(3,358,434)	0	(3,358,434)
(1,486,042)	0	(1,486,042)
(146,223)	0	(146,223)
92,736	0	92,736
(965,225)	0	(965,225)
(270,135)	0	(270,135)
<u>(15,626,245)</u>	<u>0</u>	<u>(15,626,245)</u>
0	(268,618)	(268,618)
0	(243,775)	(243,775)
0	(512,393)	(512,393)
<u>(15,626,245)</u>	<u>(512,393)</u>	<u>(16,138,638)</u>
1,403,955	0	1,403,955
8,737,740	0	8,737,740
677,601	0	677,601
171,124	0	171,124
1,787,884	0	1,787,884
144,920	44,224	189,144
517,748	2,474	520,222
13,440,972	46,698	13,487,670
(148,595)	148,595	0
<u>13,292,377</u>	<u>195,293</u>	<u>13,487,670</u>
(2,333,868)	(317,100)	(2,650,968)
<u>52,216,421</u>	<u>36,638,457</u>	<u>88,854,878</u>
<u>\$49,882,553</u>	<u>\$36,321,357</u>	<u>\$86,203,910</u>

City of Chillicothe, Ohio

Balance Sheet
Governmental Funds

December 31, 2003

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash & Cash Equivalents	\$1,170,842	\$62,044	\$2,300,070	\$3,532,956
Cash and Cash Equivalents in Segregated Accounts	229,648	0	4,968	234,616
Investment in City Treasury	0	0	1,000	1,000
Accounts Receivable	269,822	0	0	269,822
Interfund Receivable	64,248	0	0	64,248
Intergovernmental Receivable	972,810	0	1,342,230	2,315,040
Income Tax Receivable	887,225	0	204,744	1,091,969
Property Tax Receivable	1,156,827	0	272,344	1,429,171
Other Taxes Receivable	81,438	0	0	81,438
Special Assessments Receivable	9,646	0	0	9,646
Materials and Supplies Inventory	64,583	0	14,105	78,688
Prepaid Items	113,425	0	23,179	136,604
Total Assets	<u>\$5,020,514</u>	<u>\$62,044</u>	<u>\$4,162,640</u>	<u>\$9,245,198</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$40,029	\$0	\$11,313	\$51,342
Contracts Payable	2,144	0	8,339	10,483
Accrued Wages Payable	92,138	0	20,033	112,171
Compensated Absences Payable	19,003	0	7,851	26,854
Intergovernmental Payable	102,890	0	0	102,890
Retainage Payable	8,285	0	0	8,285
Interfund Payable	0	0	64,248	64,248
Claims Payable	139,562	0	34,155	173,717
Deposits Held and Due to Others	1,192	0	0	1,192
Deferred Revenue	1,787,510	0	1,283,549	3,071,059
Total Liabilities	<u>2,192,753</u>	<u>0</u>	<u>1,429,488</u>	<u>3,622,241</u>
Fund Balances				
Reserved for Permanent Fund	0	0	1,000	1,000
Reserved for Encumbrances	11,247	0	400,296	411,543
<i>Unreserved Reported in:</i>				
General Fund	2,816,514	0	0	2,816,514
Special Revenue Funds	0	0	1,863,049	1,863,049
Debt Service Fund	0	62,044	0	62,044
Capital Projects Funds	0	0	466,840	466,840
Permanent Fund	0	0	1,967	1,967
Total Fund Balances	<u>2,827,761</u>	<u>62,044</u>	<u>2,733,152</u>	<u>5,622,957</u>
Total Liabilities and Fund Balances	<u>\$5,020,514</u>	<u>\$62,044</u>	<u>\$4,162,640</u>	<u>\$9,245,198</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities

December 31, 2003

Total Governmental Fund Balances \$5,622,957

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds 49,468,339

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds:

Property and Other Taxes	48,359
Intergovernmental	1,632,242
Special Assessments	<u>9,646</u>

Total 1,690,247

In the statement of activities, interest is accrued on outstanding bonds,
whereas in governmental funds, an interest expenditure is reported
when due. (11,913)

Some liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds:

General Obligation Bonds	(1,895,000)
Police & Fire Pension Bonds	(510,000)
Premium on Bonds Issued	(16,642)
Capital Leases Payable	(98,815)
Landfill Postclosure Costs	(1,616,050)
Compensated Absences Payable	(2,066,678)
Intergovernmental Payable	<u>(683,892)</u>

Total (6,887,077)

Net Assets of Governmental Activities \$49,882,553

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,131,524	\$0	\$266,752	\$1,398,276
Municipal Income Taxes	7,649,962	0	1,765,379	9,415,341
Other Taxes	171,124	0	0	171,124
Charges for Services	2,558,348	0	173,998	2,732,346
Fines, Licenses, and Permits	3,012,712	0	65,241	3,077,953
Intergovernmental	1,945,779	0	2,264,428	4,210,207
Special Assessments	3,430	0	0	3,430
Investment Earnings	135,919	8,889	112	144,920
Miscellaneous	496,488	0	67,514	564,002
Total Revenue	<u>17,105,286</u>	<u>8,889</u>	<u>4,603,424</u>	<u>21,717,599</u>
Expenditures				
<i>Current:</i>				
General Government	7,051,319	0	342,657	7,393,976
<i>Security of Persons and Property:</i>				
Police	4,031,395	0	489,700	4,521,095
Fire	3,597,887	0	592,990	4,190,877
Transportation	195,964	0	3,243,137	3,439,101
Community Environment	497	0	700,992	701,489
Basic Utility Services	890,736	0	0	890,736
Leisure Time Activities	126,657	0	696,104	822,761
Capital Outlay	0	0	525,325	525,325
<i>Debt Service:</i>				
Principal Retirement	39,124	2,290,000	1,910	2,331,034
Interest and Fiscal Charges	11,768	258,723	445	270,936
Total Expenditures	<u>15,945,347</u>	<u>2,548,723</u>	<u>6,593,260</u>	<u>25,087,330</u>
Excess of Revenues Over (Under) Expenditures	<u>1,159,939</u>	<u>(2,539,834)</u>	<u>(1,989,836)</u>	<u>(3,369,731)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	5,790	0	34,248	40,038
Proceeds of Refunding Bonds	0	2,125,000	0	2,125,000
Premiums on Bonds Issued	0	16,642	0	16,642
Inception of Capital Lease	12,228	0	0	12,228
Transfers-In	293,291	356,000	2,052,847	2,702,138
Transfers-Out	<u>(2,170,847)</u>	<u>0</u>	<u>(679,886)</u>	<u>(2,850,733)</u>
Total Other Sources (Uses)	<u>(1,859,538)</u>	<u>2,497,642</u>	<u>1,407,209</u>	<u>2,045,313</u>
Net Change in Fund Balances	(699,599)	(42,192)	(582,627)	(1,324,418)
Fund Balances at Beginning of Year	<u>3,527,360</u>	<u>104,236</u>	<u>3,315,779</u>	<u>6,947,375</u>
Fund Balances at End of Year	<u>\$2,827,761</u>	<u>\$62,044</u>	<u>\$2,733,152</u>	<u>\$5,622,957</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

Net Change in Fund Balances - Total Governmental Funds (\$1,324,418)

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

Governmental funds report capital outlays as expenditures.

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

Capital Asset Additions	1,900,666	
Current Year Depreciation	<u>(3,332,989)</u>	
Total		(1,432,323)

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

(43,045)

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

Delinquent Property Taxes	5,679	
Intergovernmental	415,728	
Special Assessments	<u>3,622</u>	
Total		425,029

Bond proceeds provide current financial resources to governmental funds;
however, issuing debt increases long-term liabilities in the statement of
net assets. In the current period, proceeds were received from general
obligation bonds, including a premium of \$16,642.

(2,141,642)

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

2,331,034

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

801

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

(12,228)

Landfill Closure expenditures that are reported as a reduction of a
liability and therefore not reported in the statement of activities

61,672

Some expenses reported in the statement of activities, such as
compensated absences do not require the use of current financial
resources and therefore are not reported as expenditures.

Compensated Absences	(123,601)	
Intergovernmental Payable	<u>(75,147)</u>	
Total		<u>(198,748)</u>

Change in Net Assets - Governmental Activities

(\$2,333,868)

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Taxes	\$8,802,491	\$8,814,934	\$8,930,392	\$115,458
Charges for Services	2,541,752	2,455,752	2,528,692	72,940
Fines, Licenses and Permits	1,427,000	1,338,000	1,457,814	119,814
Intergovernmental	1,828,280	1,919,674	2,002,595	82,921
Special Assessments	500	500	3,430	2,930
Investment Earnings	301,000	145,000	135,919	(9,081)
Miscellaneous	129,000	431,387	498,367	66,980
Total Revenue	15,030,023	15,105,247	15,557,209	451,962
Expenditures				
<i>Current:</i>				
General Government	5,557,072	5,887,943	5,612,281	275,662
Security of Persons and Property	7,903,401	8,066,180	7,880,392	185,788
Transportation	181,000	196,000	195,993	7
Community Environment	1,000	1,000	404	596
Basic Utility Services	921,750	984,304	911,549	72,755
Leisure Time Activities	209,353	216,869	127,696	89,173
Total Expenditures	14,773,576	15,352,296	14,728,315	623,981
Excess of Revenues Over (Under) Expenditures	256,447	(247,049)	828,894	1,075,943
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	5,790	5,790
Transfers - In	165,000	262,800	293,991	31,191
Transfers - Out	(2,418,500)	(2,201,625)	(2,170,847)	30,778
Total Other Sources (Uses)	(2,253,500)	(1,938,825)	(1,871,066)	67,759
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,997,053)	(2,185,874)	(1,042,172)	1,143,702
Fund Balances at Beginning of Year	2,141,231	2,141,231	2,141,231	0
Prior Year Encumbrances Appropriated	59,712	59,712	59,712	0
Fund Balances (Deficit) at End of Year	\$203,890	\$15,069	\$1,158,771	\$1,143,702

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fund Net Assets
Proprietary Funds

December 31, 2003

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water</u>	<u>Sewer</u>	
Assets			
<i>Current:</i>			
Equity in Pooled Cash & Cash Equivalents	\$4,678,619	\$1,400,860	\$6,079,479
Accounts Receivable	670,439	477,293	1,147,732
Special Assessments Receivable	7,601	2,332	9,933
Materials and Supplies Inventory	17,331	3,224	20,555
Prepaid Items	26,531	20,808	47,339
Bond Issue Costs	227,921	0	227,921
<i>Noncurrent:</i>			
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	1,200,000	1,938,244	3,138,244
Cash & Cash Equivalents with Fiscal and Trustees	1,348,729	306,948	1,655,677
Nonpreciable Capital Assets	1,412,520	476,497	1,889,017
Depreciable Capital Assets, Net	21,518,657	18,745,337	40,263,994
Total Assets	31,108,348	23,371,543	54,479,891
Liabilities			
<i>Current:</i>			
Accounts Payable	22,366	43,846	66,212
Contracts Payable	225,350	0	225,350
Accrued Wages Payable	7,254	12,850	20,104
Compensated Absences Payable	51,992	142,576	194,568
Intergovernmental Payable	50,674	193,306	243,980
Accrued Interest Payable	40,924	13,653	54,577
Claims Payable	11,439	19,774	31,213
Notes Payable	2,000,000	0	2,000,000
General Obligation Bonds Payable	0	75,000	75,000
Revenue Bonds Payable	850,000	220,000	1,070,000
<i>Noncurrent:</i>			
Compensated Absences Payable	165,782	242,939	408,721
General Obligation Bonds Payable	0	2,020,000	2,020,000
Revenue Bonds Payable	10,758,809	990,000	11,748,809
Total Liabilities	14,184,590	3,973,944	18,158,534
Net Assets			
Investments in Capital Assets, Net of Related Debt	9,583,823	15,917,072	25,500,895
<i>Restricted for:</i>			
Debt Service	1,348,729	306,948	1,655,677
Capital Projects	1,200,000	1,938,244	3,138,244
Unrestricted	4,791,206	1,235,335	6,026,541
Total Net Assets	\$16,923,758	\$19,397,599	\$36,321,357

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Enterprise Funds		Total
	Water	Sewer	
Operating Revenues			
Charges for Services	\$4,196,209	\$2,869,864	\$7,066,073
Other Operating Revenue	2,108	366	2,474
Total Operating Revenues	4,198,317	2,870,230	7,068,547
Operating Expenses			
Personal Services	875,851	880,761	1,756,612
Fringe Benefits	363,283	714,396	1,077,679
Contractual Services	365,870	46,672	412,542
Materials and Supplies	631,245	418,200	1,049,445
Depreciation	624,786	540,051	1,164,837
Other Operating Expense	767,147	346,186	1,113,333
Total Operating Expenses	3,628,182	2,946,266	6,574,448
Operating Income (Loss)	570,135	(76,036)	494,099
Non-Operating Revenues (Expenses)			
Interest Income	38,895	5,329	44,224
Loss on Disposal of Capital Assets	(90,312)	(10,004)	(100,316)
Interest and Fiscal Charges	(746,333)	(157,369)	(903,702)
Total Non-Operating Revenues (Expenses)	(797,750)	(162,044)	(959,794)
Loss Before Transfers	(227,615)	(238,080)	(465,695)
Transfers - In	126,168	30,000	156,168
Transfers - Out	(3,774)	(3,799)	(7,573)
Change in Net Assets	(105,221)	(211,879)	(317,100)
Net Assets at Beginning of Year-Restated (See Note 4)	17,028,979	19,609,478	36,638,457
Net Assets at End of Year	<u>\$16,923,758</u>	<u>\$19,397,599</u>	<u>\$36,321,357</u>

See accompanying notes to the basic financial statements

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City of Chillicothe, Ohio

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2003

	Enterprise Funds		Total
	Water	Sewer	
Cash Flows from Operating Activities			
Cash Received from Customers	\$4,168,151	\$2,861,408	\$7,029,559
Cash Received from Other Receipts	1,145	0	1,145
Cash Payments to Employees	(1,376,354)	(1,382,646)	(2,759,000)
Cash Payments for Contractual Services	(165,482)	(52,480)	(217,962)
Cash Payments for Supplies & Materials	(611,898)	(388,092)	(999,990)
Cash Payments for Other Expenses	(787,071)	(359,146)	(1,146,217)
Net Cash from Operating Activities	<u>1,228,491</u>	<u>679,044</u>	<u>1,907,535</u>
Cash Flows from Noncapital Financing Activities			
Transfers-In from Other Funds	126,168	30,000	156,168
Transfers-Out to Other Funds	(4,080)	(4,104)	(8,184)
Net Cash from Noncapital Financing Activities	<u>122,088</u>	<u>25,896</u>	<u>147,984</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds Received from Bonds & Notes	13,608,809	2,095,000	15,703,809
Cash Paid for Bond Issuance Costs	(227,921)	0	(227,921)
Interest Paid on Bonds, Notes, Loans & Capital Leases	(766,369)	(177,650)	(944,019)
Principal Paid on Bonds, Notes, Loans & Capital Leases	(12,570,000)	(3,254,242)	(15,824,242)
Cash Paid to Acquire/Construct Capital Assets	(487,679)	(74,557)	(562,236)
Proceeds Received from Sale of Assets	600	0	600
Cash Received from Capital Grant	0	151,077	151,077
Net Cash from Capital Related and Financing Activities	<u>(442,560)</u>	<u>(1,260,372)</u>	<u>(1,702,932)</u>
Cash Flows from Investing Activities			
Interest Received on Investments	<u>38,895</u>	<u>5,329</u>	<u>44,224</u>
Net Cash from Investing Activities	<u>38,895</u>	<u>5,329</u>	<u>44,224</u>
Net Increase (Decrease) In Cash and Cash Equivalents	946,914	(550,103)	396,811
Cash and Cash Equivalents at Beginning of Year	<u>6,280,434</u>	<u>4,196,155</u>	<u>10,476,589</u>
Cash and Cash Equivalents at End of Year	<u>\$7,227,348</u>	<u>\$3,646,052</u>	<u>\$10,873,400</u>
See accompanying notes to the basic financial statements			continued

**Reconciliation of Operating Income to Net
Cash from Operating Activities**

Operating Income (Loss)	\$570,135	(\$76,036)	\$494,099
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:			
Depreciation Expense	624,786	540,051	1,164,837
<i>Changes in Assets & Liabilities:</i>			
(Increase) Decrease in Accounts Receivable	(28,058)	(8,834)	(36,892)
(Increase) Decrease in Special Assessments Receivable	(963)	12	(951)
(Increase) Decrease in Material & Supply Inventory	2,836	(510)	2,326
(Increase) Decrease in Prepaid Items	(8,587)	(574)	(9,161)
Increase (Decrease) in Accounts Payable	(6,690)	12,424	5,734
Increase (Decrease) in Contracts Payable	212,252	0	212,252
Increase (Decrease) in Accrued Wages Payable	(29,976)	(13,907)	(43,883)
Increase (Decrease) in Compensated Absences Payable	(71,956)	83,057	11,101
Increase (Decrease) in Intergovernmental Payable	2,076	156,121	158,197
Increase (Decrease) in Claims Payable	(37,364)	(12,760)	(50,124)
Net Cash from Operating Activities	<u>\$1,228,491</u>	<u>\$679,044</u>	<u>\$1,907,535</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2003

	Private Purpose Trust Unclaimed Monies	Agency Deposits Agency
Assets		
Equity in Pooled Cash & Cash Equivalents	\$61,394	\$22,718
Total Assets	<u>61,394</u>	<u>22,718</u>
Liabilities		
Deposits Held and Due to Others	0	22,718
Total Liabilities	<u>0</u>	<u><u>\$22,718</u></u>
Net Assets		
Held in Trust for Potential Claimants	<u><u>\$61,394</u></u>	

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Year Ended December 31, 2003

	Private Purpose Trust <hr/> Unclaimed Monies <hr/>
Additions	
Miscellaneous	\$18,456
Deductions	
Amounts Paid to Claimants	73
Amounts Paid to Funds - Expired Claims	<hr/> 13,906
Total Deductions	<hr/> 13,979
Change in Net Assets	<hr/> 4,477
Net Assets at Beginning of Year	<hr/> 56,917
Net Assets at End of Year	<hr/> <hr/> \$61,394

See accompanying notes to the basic financial statements

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CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

Basis of Presentation

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

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

Bond Retirement Fund - This fund accounts for the payment of principal and interest associated with City general obligation bonded debt.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

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

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

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

Fiduciary Funds

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

Measurement Focus

Government-Wide Financial Statements

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned (See Note 14). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 13). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures

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

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

Budgetary Accounting and Control

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

Each City department prepares a budget which is approved by City Council. All modifications made throughout the year to the original department budgets must be requested by the departmental management and approved through legal resolution by City Council, except in the travel transportation, materials and supplies, and contractual services and miscellaneous or other expenditure categories of each department.

Several budget modifications and supplemental appropriations were made during the year and each revised budget amount reported in the budget to actual comparisons includes all modifications and supplemental appropriations that were necessary.

The City maintains budgetary control by fund and ordinance does not permit expenditures and encumbrances to exceed appropriations for each fund. Unencumbered and unexpended appropriations lapse at year-end in all budgeted funds. Prior year encumbrances and corresponding prior year appropriations are carried forward as part of the budgetary authority for next year and are included in the original and revised budget amounts shown in the budget-to-actual comparisons.

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

Cash and Cash Equivalents

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

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2003 amounted to \$135,919, which includes \$111,750 assigned from other City funds.

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

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds and as an expense in the proprietary funds when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Restricted Assets

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

Capital Assets

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

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

Compensated Absences

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

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

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

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

In governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignation or retirement. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported on the fund financial statements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability on the fund financial statements.

Accrued Liabilities and Long-Term Obligations

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

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

Fund Balance Reserves

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

Net Assets

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sanitary sewer services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

Interfund Transactions

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

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

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

FOR THE YEAR ENDED DECEMBER 31, 2003

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and modified accrual GAAP basis are that:

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance

GAAP Basis	(\$699,599)
<i>Adjustments:</i>	
Net Adjustment for Non-budgeted Municipal Court	32,212
Net Adjustment for Revenue Accruals	66,865
Net Adjustment for Expenditure Accruals	(442,194)
Encumbrances	12,072
Net Adjustment for Other Sources (Uses)	(11,528)
	<hr/>
Budget Basis	<u><u>(\$1,042,172)</u></u>

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 3A-ACCOUNTABILITY

Deficit Fund Balances

<u>Nonmajor funds</u>	<u>Deficit</u>
HUD	\$ 10,738
Issue II	220,000

These funds had actual cash deficits due to outstanding cash basis encumbrances at year end. The General Fund is liable for any deficits in these funds and provides transfers when cash is required. The City expected to receive state and federal grants to cover these expenditures, but at year end these grants were not received by the state and federal agencies.

NOTE 4 - PRIOR PERIOD ADJUSTMENTS

The City restated its Sewer Enterprise Fund at December 31, 2002. The City made an error in the amount of capital grant that was accrued as a receivable at December 31, 2002. As a result, the City determined that net assets in the Sewer Fund were overstated as noted below.

	<u>Water</u>	<u>Sewer</u>	<u>Total Business-Type Funds</u>
Business-Type Activities			
Net Assets at December 31, 2002	\$17,028,979	\$19,706,920	\$36,735,899
Adjustment Due to Overstated Intergovernmental Receivable	0	(97,442)	(97,442)
Net Assets at December 31, 2002	<u>\$17,028,979</u>	<u>\$19,609,478</u>	<u>\$36,638,457</u>

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS

Monies held in the City Treasury are pooled for the purpose of investment management. The City is authorized to invest in those instruments identified in section 135.35 of the Ohio Revised Code. Specifically, these authorized instruments consist of:

- (1) Bonds, notes or other obligations guaranteed by the United States or those for which the full faith and credit of the United States is pledged;
- (2) Bonds, notes, debentures or other obligations or securities insured by any federal government agency;
- (3) Written repurchase agreements in the securities listed above;
- (4) Bonds and other obligations of Ohio, its political subdivisions, or other units or agencies of Ohio or its political subdivisions;
- (5) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;

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- (6) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investment in securities are made only through eligible institutions.
- (7) The State Treasurer's investment pool (Star Ohio).

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents:	
-Pooled	\$12,834,791
-Segregated	234,616
-Fiscal & Escrow Agents	1,655,677
Investments (Carrying Amounts)	1,000
Reconciling items (net) to arrive at bank balances for deposits	<u>192,491</u>
Total available for deposit and investment	<u>\$14,918,575</u>

Any depository that receives a City deposit or investment is required to pledge to the investing authority as collateral eligible securities of aggregate fair value that, when added to the portion of the deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, equals or exceeds the amount of City funds deposited.

A public depository may, at its option, pledge a single pool of eligible securities to secure the repayment of all public monies held by the depository. The pool of securities so pledged must have a current fair value at least equal to 105% of all public monies on deposit with the depository including the amount covered by federal insurance.

GASB Statement No. 9 requires the City to report cash flows for its proprietary funds. For purposes of the statement of cash flows, the City defines cash and cash equivalents in proprietary funds as demand deposit accounts and all highly liquid investments with an original maturity of three months or less and investments of the cash management pool.

The Governmental Accounting Standards Board (GASB Statement No. 3) has established credit risk categories for deposits and investments as follows:

- Category 1- Deposits that are insured or collateralized with securities held by the City or its agent in the City's name;
 - Investments that are insured or registered, or securities held by the City or its agent in the City's name;
- Category 2- Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name;
 - Investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name;

CITY OF CHILLICOTHE, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2003

Category 3- Deposits that are uncollateralized or collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the City's name.

Investments that are uninsured and unregistered, with securities held by the counterparty or its trust department or agent but not in the City's name;

Based on the above criteria, the City deposits and investments at December 31, 2003 are classified as follows:

	C A T E G O R Y			Bank Balance	Carrying Value
	1	2	3		
<i>Deposits:</i>					
Demand Deposits	\$422,336	\$0	\$12,918,363	\$13,340,699	\$13,148,208
Total Deposits	<u>\$422,336</u>	<u>\$0</u>	<u>\$12,918,363</u>	<u>\$13,340,699</u>	<u>\$13,148,208</u>

	C A T E G O R Y			Carrying Value	Fair Value
	1	2	3		
<i>Investments:</i>					
U.S. Treasury Bond	\$1,000	\$0	\$0	\$1,000	\$1,000
<i>Investments in Trusts:</i>					
U.S. Government Securities	0	0	1,576,876	1,576,876	1,576,876
Total Investments	<u>\$1,000</u>	<u>\$0</u>	<u>\$1,576,876</u>	<u>\$1,577,876</u>	<u>\$1,577,876</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classifications per GASB No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$14,725,084	\$1,000
U.S. Government Securities	(1,576,876)	1,576,876
GASB Statement No. 3	<u>\$ 13,148,208</u>	<u>\$1,577,876</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2003 consisted of property taxes, municipal income taxes, accounts (billings for user charged services) and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

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Governmental Activities

General Fund:

Local Government Distributions	\$569,060
State Property Tax Reimbursements	51,977
Estate Taxes and Other Revenues	65,886
Grants and Other Revenues	<u>285,887</u>

Total General Fund 972,810

Nonmajor Special Revenue Funds:

Street Maintenance Distributions	354,367
State Highway Distributions	28,708
Housing and Urban Development Grants	734,061
Grants	20,393
Bus Transportation Grants	192,439
Police & Fire Pension State Property Tax Reimbursements	<u>12,262</u>

Total Nonmajor Special Revenue Funds 1,342,230

Total Intergovernmental Receivables \$2,315,040

NOTE 7- CAPITAL ASSETS

A summary of changes in general capital assets during 2003 were as follows:

	Balance 01/01/2003	Additions	Deletions	Balance 12/31/2003
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$6,291,379	\$0	\$0	\$6,291,379
Construction in Progress	0	281,971	0	281,971
Total Nondepreciable Capital Assets	<u>6,291,379</u>	<u>281,971</u>	<u>0</u>	<u>6,573,350</u>
Depreciable Capital Assets				
Land Improvements	4,252,948	16,557	(12,870)	4,256,635
Buildings, Structures and Improvements	13,246,747	69,280	0	13,316,027
Furniture, Fixtures, Equipment, & Vehicles	7,250,589	575,015	(622,920)	7,202,684
Infrastructure	50,924,845	957,843	0	51,882,688
Total Depreciable Capital Assets	<u>75,675,129</u>	<u>1,618,695</u>	<u>(635,790)</u>	<u>76,658,034</u>
Less Accumulated Depreciation:				
Land Improvements	(3,941,550)	(128,925)	12,870	(4,057,605)
Buildings, Structures and Improvements	(5,468,069)	(304,047)	0	(5,772,116)
Furniture, Fixtures, Equipment, & Vehicles	(5,576,319)	(647,560)	579,875	(5,644,004)
Infrastructure	(16,036,863)	(2,252,457)	0	(18,289,320)
Total Accumulated Depreciation	<u>(31,022,801)</u>	<u>(3,332,989)</u>	<u>592,745</u>	<u>(33,763,045)</u>
Total Capital Assets Being Depreciated, Net	<u>44,652,328</u>	<u>(1,714,294)</u>	<u>(43,045)</u>	<u>42,894,989</u>
Governmental Activities Capital Assets, Net	<u><u>\$50,943,707</u></u>	<u><u>(\$1,432,323)</u></u>	<u><u>(\$43,045)</u></u>	<u><u>\$49,468,339</u></u>

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

Governmental Activities		
General Government		\$2,329,532
<i>Security of Persons and Property:</i>		
Police		175,605
Fire		184,122
Transportation		122,165
Community Environment		326,455
Leisure Time Activities		195,110
		<u>195,110</u>
Governmental Activities Depreciation Expense		<u><u>\$3,332,989</u></u>

	Balance 1/1/2003	Additions	Deletions	Balance 12/31/2003
Business-Type Activities:				
Nondepreciable Capital Assets:				
Land	\$1,889,017	\$0	\$0	\$1,889,017
Construction in Progress	2,551,685	0	(2,551,685)	0
	<u>4,440,702</u>	<u>0</u>	<u>(2,551,685)</u>	<u>1,889,017</u>
Total Nondepreciable Capital Assets				
	<u>4,440,702</u>	<u>0</u>	<u>(2,551,685)</u>	<u>1,889,017</u>
Depreciable Capital Assets:				
Land Improvements	272,721	0	0	272,721
Buildings, Structures and Improvements	2,633,274	0	0	2,633,274
Plant and Facilities	22,478,117	2,551,685	0	25,029,802
Furniture, Fixtures, & Equipment	1,921,791	71,770	(32,983)	1,960,578
Infrastructure	26,333,951	490,465	(118,049)	26,706,367
	<u>53,639,854</u>	<u>3,113,920</u>	<u>(151,032)</u>	<u>56,602,742</u>
Total Depreciable Capital Assets				
	<u>53,639,854</u>	<u>3,113,920</u>	<u>(151,032)</u>	<u>56,602,742</u>
Less Accumulated Depreciation:				
Land Improvements	(269,686)	(1,830)	0	(271,516)
Buildings, Structures and Improvements	(1,120,658)	(65,883)	0	(1,186,541)
Plant and Facilities	(6,291,348)	(449,056)	0	(6,740,404)
Furniture, Fixtures, & Equipment	(1,590,443)	(113,879)	19,367	(1,684,955)
Infrastructure	(5,951,892)	(534,189)	30,749	(6,455,332)
	<u>(15,224,027)</u>	<u>(1,164,837)</u>	<u>50,116</u>	<u>(16,338,748)</u>
Total Accumulated Depreciation				
	<u>(15,224,027)</u>	<u>(1,164,837)</u>	<u>50,116</u>	<u>(16,338,748)</u>
Depreciable Capital Assets, Net	<u>38,415,827</u>	<u>1,949,083</u>	<u>(100,916)</u>	<u>40,263,994</u>
Business-Type Activities Capital Assets, Net	<u><u>\$42,856,529</u></u>	<u><u>\$1,949,083</u></u>	<u><u>\$(2,652,601)</u></u>	<u><u>\$42,153,011</u></u>

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

NOTE 8 - NOTES PAYABLE

The City's note transactions for the year ended December 31, 2003, were as follows:

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Purpose	Balance 1/1/2003	Additions	Deletions	Balance 12/31/2003
Business-Type Activities				
<i>Bond Anticipation Notes Payable:</i>				
Municipal Water System, 1.63%	\$500,000	\$500,000	(\$500,000)	\$500,000
Municipal Water System, 1.25%	0	1,500,000	0	1,500,000
Municipal Sewer System, 2.25%	<u>3,000,000</u>	<u>0</u>	<u>(3,000,000)</u>	<u>0</u>
Business-Type Activities Notes Payable	<u><u>\$3,500,000</u></u>	<u><u>\$2,000,000</u></u>	<u><u>(\$3,500,000)</u></u>	<u><u>\$2,000,000</u></u>

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

NOTE 9 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2003, was as follows:

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

Purpose	Balance 1/1/2003	Additions	Deletions	Balance 12/31/2003	Amounts Due Within One Year
Governmental Activities:					
<i>General Obligation Bonds Payable:</i>					
Various Purpose G.O. Bonds, 3.31%, 2003	\$2,045,000	\$2,125,000	(\$2,275,000)	\$1,895,000	\$230,000
Police & Fire Pension Bonds, 3.75-5.625%, 1999	525,000	0	(15,000)	510,000	15,000
Issuance Premium on Bonds	0	16,642	0	16,642	0
<i>Other Long-Term Obligations:</i>					
Compensated Absences	2,004,408	1,173,120	(1,083,996)	2,093,532	783,749
Capital Leases	127,621	12,228	(41,034)	98,815	46,424
Landfill Post-Closure Care	<u>1,677,722</u>	<u>0</u>	<u>(61,672)</u>	<u>1,616,050</u>	<u>92,293</u>
Governmental Activities Long-Term Obligations	<u><u>\$6,379,751</u></u>	<u><u>\$3,326,990</u></u>	<u><u>(\$3,476,702)</u></u>	<u><u>\$6,230,039</u></u>	<u><u>\$1,167,466</u></u>

During the year, the City issued \$2,125,000 of general obligation bonds for governmental activities for the current refunding of \$2,045,000 of various purpose general obligation bonds. The \$16,642 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which is the same as the remaining life of the refunded debt. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$242,947 and a reduction of \$269,388 in future debt service payments.

General obligation bonds issued for governmental activities of the City are retired through the Bond Retirement Debt Service Fund. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax levy within the limitations of the Ohio law. These bonds are also backed by the full faith and credit of the City as additional security.

Compensated absences will be paid from the fund from which the employees' salaries are paid. Capital lease obligations will be paid from the fund that maintains custody of the related asset. The landfill post-closure care liability will be paid from the General Fund.

CITY OF CHILLICOTHE, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2003

Business-Type Activities and Other Long-Term Obligations

Purpose	Balance 1/1/2003	Additions	Deletions	Balance 12/31/2003	Balance One Year	Amounts Due Within
Business-Type Activities:						
Mortgage Revenue Bonds Payable:						
Municipal Water System						
5.22%, 2003	\$12,070,000	\$11,350,000	(\$12,070,000)	\$11,350,000		\$850,000
Municipal Sewer System,						
2.75-5.10%, 1993	1,420,000	0	(210,000)	1,210,000		220,000
General Obligation Bonds Payable:						
Sewer Bonds, 3.31%, 2003	0	2,095,000	0	2,095,000		75,000
Issuance Premium on Bonds	0	258,809	0	258,809		0
OWDA Loans Payable:						
Municipal Sewer Plant, 5.25%, 1978	22,234	0	(22,234)	0		0
Municipal Sewer Interceptor, 5.50%, 1978	22,008	0	(22,008)	0		0
Other Long-Term Obligations:						
Compensated Absences	592,188	210,098	(198,997)	603,289		194,568
	<u>592,188</u>	<u>210,098</u>	<u>(198,997)</u>	<u>603,289</u>		<u>194,568</u>
Business-Type Activities Long-Term Obligations	<u>\$14,126,430</u>	<u>\$13,913,907</u>	<u>(\$12,523,239)</u>	<u>\$15,517,098</u>		<u>\$1,339,568</u>

Business-Type Activities Mortgage Revenue Bonds

During the year, the City issued \$11,350,000 of mortgage revenue bonds for business-type activities for the current refunding of \$11,320,000 of municipal water system mortgage revenue bonds. The \$258,809 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which is the same as the remaining life of the refunded debt. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$1,465,719 and a reduction of \$1,298,460 in future debt service payments.

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

Enterprise fund assets, whose use is restricted under bond indentures, are presented as restricted assets on the statement of net assets. Restricted assets relating to the mortgage revenue bonds at December 31, 2003 are as follows:

Business-Type Activities		
Restricted Assets Held by the City For:		
Water System Replacement and Improvement		\$1,200,000
Sewer System Construction		1,320,422
Sewer System Replacement and Improvement		617,822
Restricted Assets Held by the Trustee for:		
Water System Bond Debt Service		1,348,729
Sewer System Bond Debt Service		306,948
		<u>4,793,921</u>
Business-Type Activities Restricted Assets		<u>\$4,793,921</u>

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Compensated absences for business-type activities will be paid from the fund from which the employees' salaries are paid.

Debt service requirements are as follows:

For year Ended Dec 31	General Obligation Bonds		Police & Fire Pension Bonds	
	Various Principal	Interest	Principal	Interest
2004	\$230,000	\$44,020	\$15,000	\$27,394
2005	230,000	39,420	15,000	26,733
2006	240,000	34,820	15,000	26,059
2007	240,000	30,020	15,000	25,369
2008	250,000	25,220	15,000	24,664
2009 - 2013	705,000	43,290	100,000	109,719
2014 - 2018	0	0	130,000	80,156
2019 - 2023	0	0	165,000	39,937
2024	0	0	40,000	2,250
	<u>\$1,895,000</u>	<u>\$216,790</u>	<u>\$510,000</u>	<u>\$362,281</u>

For Year Ended Dec 31	Water Revenue Bonds		Sewer Revenue Bonds		Sewer G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$850,000	\$426,668	\$220,000	\$58,955	\$75,000	\$68,853
2005	930,000	348,715	230,000	48,835	85,000	67,352
2006	945,000	330,115	240,000	38,025	80,000	65,653
2007	965,000	311,215	255,000	26,265	85,000	64,052
2008	985,000	290,950	265,000	13,515	85,000	62,353
2009 - 2013	5,460,000	929,652	0	0	465,000	277,415
2014 - 2018	1,215,000	60,750	0	0	545,000	197,550
2019 - 2023	0	0	0	0	675,000	85,227
	<u>\$11,350,000</u>	<u>\$2,698,065</u>	<u>\$1,210,000</u>	<u>\$185,595</u>	<u>\$2,095,000</u>	<u>\$888,455</u>

NOTE 10 - CAPITAL LEASES

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the statement of revenues, expenditures and changes in fund balance for governmental funds as a functional expenditure and "inception of capital lease". Capital lease payments are reflected as debt service expenditures in the governmental funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$230,783 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2003 were \$41,034 in the governmental funds.

The City's future minimum lease payments and present value of net minimum lease payments required under these capital lease obligations as of December 31, 2003 are as follows:

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Year Ended December 31,	Capital Lease Payments
2004	\$51,497
2005	46,982
2006	9,590
2007	<u>4,194</u>
Total Future Minimum Lease Payments	112,263
Less: Amount Representing Interest	<u>(13,448)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$98,815</u></u>

NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description: The City of Chillicothe contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State. OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established and amended by state statute and are contained in Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone, publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Funding Policy: The Ohio Revised Code provides statutory authority for employee and employer contribution rates. Plan members, other than those engaged in law enforcement, are required to contribute 8.5% of their annual covered salary and for 2003 the City is required to contribute 13.55%.

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In January 2001, House Bill 416 divided the OPERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The City's required contributions to OPERS for the years ending December 31, 2003, 2002, and 2001 were \$909,374, \$925,734, and \$895,378, respectively; 93% has been contributed for 2003, 100% for years 2002 and 2001. Of the 2003 amount, \$62,876 was unpaid at December 31, 2003 and is recorded as a liability in the respective funds.

Postemployment Benefits: The OPERS also provides postemployment health care benefits to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. For local government employer units the rate was 13.55% of covered payroll; 5.0% was the portion used to fund health care for the year. The 2003 employer rate was 16.70% and 5.0% was used to fund health care for both the law enforcement and public safety divisions.

Of the employer contributions made by the City for the year 2003, \$335,559 was the amount used to fund postemployment health care.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.0% annually.

As of December 31, 2003, the number of active contributing participants was 364,881. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002 was \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

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Ohio Police and Fire Pension Fund

Plan Description: The City of Chillicothe contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

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

Funding Policy: Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0%, respectively, for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2003, 2002 and 2001 were \$1,074,332, \$1,044,377, and \$1,001,456, respectively; 70% has been contributed for 2003 and 100% for years 2002 and 2001. Of the 2003 amount, \$325,272 was unpaid at December 31, 2003 and is recorded as a liability in the respective funds.

Postemployment Benefits: The OP&F System of Ohio provides postemployment health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F shall be included in the employer's contribution rate, which is 19.5% of covered payroll for police officers and 24.0% of covered payroll for firefighters. Of these employer contribution rates for the City, 7.75% was used to pay health care benefits for the year 2003 which amounted to \$382,209.

The Ohio Revised Code provides the statutory authority allowing the OP&F Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% and 7.75% of covered payroll in 2002 and 2003, respectively. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

As of December 31, 2002 the number of participants eligible to receive health care benefits was 13,527 for police officers and 10,390 for firefighters. The Fund's total health care expenses for the year ended December 31, 2002 were \$141,028,006.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 12 - COMPENSATED ABSENCES

Upon retirement, employees of the Police Department with at least eight years of credited service are paid 75% of their accrued sick leave if hired prior to January 1, 1988. Those hired after January 1, 1988 will be paid 50% of their accrued sick leave. Vacation time is vested for these employees regardless of years of credited service. Unused vacation may be accumulated with out limit, however, carryover of unused vacation requires prior approval. Compensatory time may also be accumulated by employees but must be used within specified limits. No provision exists for these employees to be compensated for overtime worked in lieu of compensatory time off. All sick leave, vacation and compensatory time off is compensated at the employee's current rate of pay at the time of retirement or termination. Employees of the Fire Department have no requirement for years of credited service in order to be compensated for accrued sick leave, and are paid 75% of their sick leave if earned prior to April 1, 1987, and 60% of sick leave earned after April 1, 1987. Vacation time is vested for these employees after six months of credited service. Unused vacation time may be accumulated without limit, however, carryover of unused vacation requires prior approval. Compensatory time may also be accumulated for overtime worked in lieu of compensatory time off. Employees may elect to be compensated for overtime worked in lieu of compensatory time off.

All sick leave, vacation and compensatory time is compensated at the employee's current rate of pay at the time of retirement or termination.

All other full time employees of the City with at least five years of credited service upon retirement, are paid 75% of their accrued sick leave if earned prior to September 1, 1987, and 60% of accrued sick leave after September 1, 1987. Vacation time is vested for these employees after six months of credited service. Unused vacation may be accumulated without limit, however, carryover of unused vacation requires prior approval. Compensatory time may also be accumulated up to specified limits. Employees may elect to be compensated for over time worked in lieu of compensatory time off.

All sick leave, vacation and compensatory time is compensated at the employee's current rate of pay at the time of retirement or termination.

NOTE 13 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value by property classification upon which the 2003 tax levy was based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$320,113,840
Tangible Personal Property	136,569,160
Public Utility Property	25,010,810
Total	<u>\$481,693,810</u>

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

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

In 2003, real property taxes were levied on January 1, 2003, on assessed values as of January 1, 2002, the lien date. Real estate taxes were due and payable on February 11 and July 12, 2003. Personal property taxes were due and payable on May 10 and September 2, 2003, on assessed values as of the lien date, December 31, 2002.

The County Treasurer collects property taxes on behalf of all taxing districts within the City. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Accrued property taxes receivable represent current taxes which were levied, measurable and unpaid, as well as, delinquent taxes outstanding as of December 31, 2003.

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

NOTE 14 - MUNICIPAL INCOME TAXES

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

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

As of December 31, 2003 there were \$231,337 in delinquent income taxes for which collection is uncertain, therefore these taxes are not accrued. In 2003, these municipal income taxes generated a combined total of \$9,415,341 in local tax revenue.

NOTE 15 - INTERFUND ACTIVITY

As of December 31, 2003, receivables and payables that resulted from various interfund transactions were as follows:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Interfund Receivables	Interfund Payables
Governmental Activities		
General Fund	\$64,248	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Bus Transit	0	21,416
Total Nonmajor Special Revenue Funds	0	21,416
<i>Nonmajor Capital Projects Funds:</i>		
Safety Levy Capital	0	21,416
Parks and Recreation Capital	0	21,416
Total Nonmajor Capital Projects Funds	0	42,832
Total	<u>64,248</u>	<u>64,248</u>

A summary of interfund transfers for 2003 were as follows:

Transfers Out	Transfers In						Total
	General	Nonmajor Special Revenue	Bond Retirement	Nonmajor Capital Projects	Water	Sewer	
General	\$0	\$2,045,347	\$88,000	\$7,500	\$0	\$30,000	\$2,170,847
Nonmajor Special Revenue	257,434	0	45,000	0	126,168	0	428,602
Nonmajor Capital Projects	28,284	0	223,000	0	0	0	251,284
Water	3,774	0	0	0	0	0	3,774
Sewer	3,799	0	0	0	0	0	3,799
	<u>\$293,291</u>	<u>\$2,045,347</u>	<u>\$356,000</u>	<u>\$7,500</u>	<u>\$126,168</u>	<u>\$30,000</u>	<u>\$2,858,306</u>

NOTE 16 - ROSS COUNTY AND CHILLICOTHE LAW ENFORCEMENT COMPLEX

The Ross County and Chillicothe Law Enforcement Complex is a shared asset between Ross County and the City which is located in downtown Chillicothe and houses the Chillicothe Police Department, Ross County Sheriff's Department and Ross County Jail. An agreement developed by and between Ross County and the City governs the shared costs of constructing the facility as well as the continuing costs of maintaining the facility.

In the agreement with Ross County, the City has agreed to lease space in the Law Complex from the County for fifty years. All lease payments made by the City were paid at the beginning of the lease term and were considered the City's share of the costs incurred during construction of the Law Complex.

The agreement further states that Ross County and the City will share in the costs of repairs, maintenance and replacement incurred relative to the operation of the Law Complex. Those costs are explained as follows:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

- * The cost of any repairs or maintenance to the roof section which covers the Law Complex section of the facility shall be shared equally by both entities.
- * The City shall pay a pro rata share of 18.47 percent of the costs associated with repairing, maintaining and replacing the public elevators, freight lift, heating, air conditioning, electrical systems and plumbing within the Law Complex section of the facility. The City's pro rata share of 18.47 percent is derived by taking a percentage of the square footage occupied by the City to the total square footage of the Law Complex.
- * Any costs of repairs, maintenance or replacement to sidewalks, public areas and parking lots contiguous to the Law Complex, including snow removal, shall be shared equally by both entities.
- * The City shall pay 100 percent of the costs of repairing, maintaining and replacing interior decorations within the City offices and 50 percent of the costs relative to interior decorations in the common offices of the Law Complex.
- * The City shall pay 50 percent of the costs of repairing, maintaining and replacing telephone equipment in the common offices of the Law Complex.
- * The City shall pay 18.47 percent of gas, electric, water, sewer, and solid waste disposal utilities and 50 percent of janitorial services.
- * The City has no percentage interest in the jail area of the facility, rather, the City is billed on a per diem basis by Ross County for the housing of its' prisoners.

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

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

NOTE 17 - LANDFILL CLOSURE AND POST CLOSURE CARE

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

In 2003, the City incurred \$41,743 in post closure care costs and decreased its postclosure care liability by \$61,672. To this date, the City has incurred approximately \$1,840,894 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

The City has accrued a liability for landfill post-closure care costs of \$1,616,050. The liability is based on an average of cumulative postclosure care costs to this date projected over the next seventeen years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability is provided through the General Fund where transfers will be made over the next seventeen years.

NOTE 18 - RISK MANAGEMENT

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

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$2,000,000 in the aggregate. Other liability insurance includes \$1,000,000 for law enforcement professional liability, \$1,000,000 for public official errors and omissions liability, \$1,000,000 for automobile liability, and \$1,000,000 for uninsured motorists liability.

In addition, the City maintains replacement cost insurance on buildings and contents in the amount of \$29,069,610. Other property insurance includes \$650,795 for contractor's equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$2,000,000. Insurance deductibles on any of the above coverages do not exceed \$10,000. The City also maintains an umbrella insurance policy for \$1,000,000.

The City participates in the Workers' Compensation Program provided by the State of Ohio. The City belongs to a pool with other Ohio cities for a workers' compensation group rating program. Settled claims have not exceeded any of the above coverage limits in the past three years.

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

An excess coverage insurance policy with Klais & Company, Inc. covers individual claims in excess of \$50,000 and aggregate claims in excess of \$2,756,784. A liability for each funds portion of the unpaid claims costs totaling \$204,930 has been accrued as a liability based on an estimate by the administrator of those unpaid claims.

Changes in the total of all funds claims liability in 2002 and 2003 are:

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

FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Year</u>	<u>Balance Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance End of Year</u>
2002	\$329,500	\$2,687,795	\$2,510,295	\$507,000
2003	507,000	2,133,812	2,435,882	204,930

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

NOTE 19 - CONTINGENCIES

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

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**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Construction Maintenance and Repair Fund

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

State Highway Fund

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

Parks and Recreation Fund

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

HUD Fund

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

Grants Fund

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

Floodwall Fund

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

Cablevision Fund

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

Fire Hazard Fund

To account for a special rotary fund established per ordinance for the elimination of fire hazards. Principal sources of revenue are costs and penalties assessed for the elimination of fire hazards.

CITY OF CHILLICOTHE, OHIO

Income Tax Fund

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

Law Enforcement Fund

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

Indigent Drivers Alcohol Treatment Fund

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

OMVI Enforcement & Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

Bus Transit Fund

To account for the operation of the 14 bus City Transit System. Principal sources of revenue are income tax revenue and grants.

Police Pension Fund

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

Fire Pension Fund

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

CITY OF CHILLICOTHE, OHIO

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Improvement Fund

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

Issue II Fund

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

Safety Levy Capital Fund

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

Landfill Closure Fund

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

Parks and Recreation Capital Fund

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

Streetscape Fund

To account for streetscape maintenance expenses and transfers to the Bond Retirement Fund to pay the debt service for the streetscape special assessment debt.

NONMAJOR PERMANENT FUND

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

Carlisle Hill Fund

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

CITY OF CHILLICOTHE, OHIO

FIDUCIARY FUNDS PRIVATE PURPOSE TRUST FUND

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

Unclaimed Monies Fund

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

AGENCY FUND

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

Deposits Agency Fund

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

City of Chillicothe, Ohio

Combining Balance Sheet
 Nonmajor Governmental Funds

December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash & Cash Equivalents	\$1,651,767	\$646,336	\$1,967	\$2,300,070
Cash and Cash Equivalents in Segregated Accounts	4,968	0	0	4,968
Investment in City Treasury	0	0	1,000	1,000
Intergovernmental Receivable	1,342,230	0	0	1,342,230
Income Tax Receivable	112,473	92,271	0	204,744
Property Tax Receivable	272,344	0	0	272,344
Materials and Supplies Inventory	14,105	0	0	14,105
Prepaid Items	20,935	2,244	0	23,179
Total Assets	\$3,418,822	\$740,851	\$2,967	\$4,162,640
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$11,161	\$152	\$0	\$11,313
Contracts Payable	8,339	0	0	8,339
Accrued Wages Payable	20,033	0	0	20,033
Compensated Absences Payable	7,851	0	0	7,851
Interfund Payable	21,416	42,832	0	64,248
Claims Payable	34,155	0	0	34,155
Deferred Revenue	1,283,549	0	0	1,283,549
Total Liabilities	1,386,504	42,984	0	1,429,488
Fund Balances				
Reserved for Permanent Fund	0	0	1,000	1,000
Reserved for Encumbrances	169,269	231,027	0	400,296
Unreserved	1,863,049	466,840	1,967	2,331,856
Total Fund Balances	2,032,318	697,867	2,967	2,733,152
Total Liabilities and Fund Balances	\$3,418,822	\$740,851	\$2,967	\$4,162,640

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$266,752	\$0	\$0	\$266,752
Municipal Income Taxes	1,087,778	677,601	0	1,765,379
Charges for Services	173,998	0	0	173,998
Fines, Licenses and Permits	65,241	0	0	65,241
Intergovernmental	2,264,428	0	0	2,264,428
Investment Earnings	72	0	40	112
Miscellaneous	47,228	20,286	0	67,514
Total Revenue	<u>3,905,497</u>	<u>697,887</u>	<u>40</u>	<u>4,603,424</u>
Expenditures				
<i>Current:</i>				
General Government	342,657	0	0	342,657
<i>Security of Persons and Property:</i>				
Police	489,700	0	0	489,700
Fire	592,990	0	0	592,990
Transportation	3,243,137	0	0	3,243,137
Community Environment	700,992	0	0	700,992
Leisure Time Activities	696,104	0	0	696,104
Capital Outlay	0	525,325	0	525,325
<i>Debt Service:</i>				
Principal Retirement	1,910	0	0	1,910
Interest and Fiscal Charges	445	0	0	445
Total Expenditures	<u>6,067,935</u>	<u>525,325</u>	<u>0</u>	<u>6,593,260</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,162,438)</u>	<u>172,562</u>	<u>40</u>	<u>(1,989,836)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	34,248	0	0	34,248
Transfers-In	2,045,347	7,500	0	2,052,847
Transfers-Out	(428,602)	(251,284)	0	(679,886)
Total Other Sources (Uses)	<u>1,650,993</u>	<u>(243,784)</u>	<u>0</u>	<u>1,407,209</u>
Net Change in Fund Balances	(511,445)	(71,222)	40	(582,627)
Fund Balances at Beginning of Year	<u>2,543,763</u>	<u>769,089</u>	<u>2,927</u>	<u>3,315,779</u>
Fund Balances at End of Year	<u>\$2,032,318</u>	<u>\$697,867</u>	<u>\$2,967</u>	<u>\$2,733,152</u>

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City of Chillicothe, Ohio

Combining Balance Sheet
 Nonmajor Special Revenue Funds

December 31, 2003

	Street Construction Maintenance & Repair	State Highway	Parks & Recreation	HUD	Grants
Assets					
Equity in Pooled Cash & Cash Equivalents	\$150,279	\$12,856	\$33,495	\$21,963	\$35,927
Cash and Cash Equivalents in					
Segregated Accounts	0	0	0	3,905	0
Intergovernmental Receivable	354,367	28,708	0	734,061	20,393
Income Taxes Receivable	0	0	44,225	0	0
Property Taxes Receivable	0	0	0	0	0
Materials and Supplies Inventory	10,980	0	0	0	0
Prepaid Items	8,416	0	3,505	0	0
Total Assets	<u>\$524,042</u>	<u>\$41,564</u>	<u>\$81,225</u>	<u>\$759,929</u>	<u>\$56,320</u>
Liabilities					
Accounts Payable	\$3,306	\$0	\$762	\$0	\$0
Contracts Payable	8,339	0	0	0	0
Accrued Wages Payable	6,198	984	4,630	0	0
Compensated Absences Payable	3,959	1,408	1,204	0	0
Interfund Payable	0	0	0	0	0
Claims Payable	12,257	2,451	7,190	0	0
Deferred Revenue	236,043	19,139	0	723,368	20,393
Total Liabilities	<u>270,102</u>	<u>23,982</u>	<u>13,786</u>	<u>723,368</u>	<u>20,393</u>
Fund Balances					
Reserved for Encumbrances	60,927	0	351	32,703	0
Unreserved	193,013	17,582	67,088	3,858	35,927
Total Fund Balances	<u>253,940</u>	<u>17,582</u>	<u>67,439</u>	<u>36,561</u>	<u>35,927</u>
Total Liabilities and Fund Balances	<u>\$524,042</u>	<u>\$41,564</u>	<u>\$81,225</u>	<u>\$759,929</u>	<u>\$56,320</u>

<u>Floodwall</u>	<u>Cablevision</u>	<u>Income Tax</u>	<u>Law Enforcement</u>	<u>Indigent Driver's Alcohol Treatment</u>	<u>OMVI Enforcement & Education</u>	<u>Mandatory Drug Fines</u>	<u>Parking</u>
\$104,588	\$5,765	\$212,029	\$49,706	\$129,781	\$22,538	\$34,128	\$58,996
0	0	0	0	576	175	312	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
782	0	0	0	0	0	0	416
<u>\$105,370</u>	<u>\$5,765</u>	<u>\$212,029</u>	<u>\$49,706</u>	<u>\$130,357</u>	<u>\$22,713</u>	<u>\$34,440</u>	<u>\$59,412</u>
\$329	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	810
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	1,144
0	0	0	0	0	0	0	0
<u>329</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,954</u>
0	0	0	0	0	0	0	2,775
<u>105,041</u>	<u>5,765</u>	<u>212,029</u>	<u>49,706</u>	<u>130,357</u>	<u>22,713</u>	<u>34,440</u>	<u>54,683</u>
<u>105,041</u>	<u>5,765</u>	<u>212,029</u>	<u>49,706</u>	<u>130,357</u>	<u>22,713</u>	<u>34,440</u>	<u>57,458</u>
<u>\$105,370</u>	<u>\$5,765</u>	<u>\$212,029</u>	<u>\$49,706</u>	<u>\$130,357</u>	<u>\$22,713</u>	<u>\$34,440</u>	<u>\$59,412</u>

continued

City of Chillicothe, Ohio

Combining Balance Sheet
 Nonmajor Special Revenue Funds

December 31, 2003

	Bus Transit	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash & Cash Equivalents	\$758,096	\$10,809	\$10,811	\$1,651,767
Cash and Cash Equivalents in				
Segregated Accounts	0	0	0	4,968
Intergovernmental Receivable	192,439	6,131	6,131	1,342,230
Income Taxes Receivable	68,248	0	0	112,473
Property Taxes Receivable	0	136,172	136,172	272,344
Materials and Supplies Inventory	3,125	0	0	14,105
Prepaid Items	7,816	0	0	20,935
Total Assets	<u>\$1,029,724</u>	<u>\$153,112</u>	<u>\$153,114</u>	<u>\$3,418,822</u>
Liabilities				
Accounts Payable	\$6,764	\$0	\$0	\$11,161
Contracts Payable	0	0	0	8,339
Accrued Wages Payable	7,411	0	0	20,033
Compensated Absences Payable	1,280	0	0	7,851
Interfund Payable	21,416	0	0	21,416
Claims Payable	11,113	0	0	34,155
Deferred Revenue	0	142,303	142,303	1,283,549
Total Liabilities	<u>47,984</u>	<u>142,303</u>	<u>142,303</u>	<u>1,386,504</u>
Fund Balances				
Reserved for Encumbrances	72,513	0	0	169,269
Unreserved	909,227	10,809	10,811	1,863,049
Total Fund Balances	<u>981,740</u>	<u>10,809</u>	<u>10,811</u>	<u>2,032,318</u>
Total Liabilities and Fund Balances	<u>\$1,029,724</u>	<u>\$153,112</u>	<u>\$153,114</u>	<u>\$3,418,822</u>

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City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Street Construction Maintenance & Repair	State Highway	Parks & Recreation	HUD	Grants
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	499,318	0	0
Charges for Services	0	0	750	0	0
Fines, Licenses and Permits	0	0	27,327	0	0
Intergovernmental	742,763	60,198	0	317,419	176,445
Investment Earnings	0	0	0	37	35
Miscellaneous	1,828	0	9,607	0	0
Total Revenue	744,591	60,198	537,002	317,456	176,480
Expenditures					
<i>Current:</i>					
General Government	0	0	0	0	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Transportation	1,232,766	159,766	0	0	0
Community Environment	0	0	0	677,445	13,319
Leisure Time Activities	0	0	696,104	0	0
<i>Debt Service:</i>					
Principal Retirement	0	0	1,910	0	0
Interest and Fiscal Charges	0	0	445	0	0
Total Expenditures	1,232,766	159,766	698,459	677,445	13,319
Excess of Revenues Over (Under) Expenditures	(488,175)	(99,568)	(161,457)	(359,989)	163,161
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	12,500	0	4,500	0	0
Transfers-In	503,636	107,000	150,000	0	0
Transfers-Out	0	0	(17,687)	0	(156,757)
Total Other Sources (Uses)	516,136	107,000	136,813	0	(156,757)
Net Change in Fund Balances	27,961	7,432	(24,644)	(359,989)	6,404
Fund Balances at Beginning of Year	225,979	10,150	92,083	396,550	29,523
Fund Balances at End of Year	\$253,940	\$17,582	\$67,439	\$36,561	\$35,927

<u>Floodwall</u>	<u>Cablevision</u>	<u>Fire Hazard</u>	<u>Income Tax</u>	<u>Law Enforcement</u>	<u>Indigent Driver's Alcohol Treatment</u>	<u>OMVI Enforcement & Education</u>	<u>Mandatory Drug Fines</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	14,915	16,708	3,414	2,877
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,915</u>	<u>16,708</u>	<u>3,414</u>	<u>2,877</u>
0	0	0	342,657	0	0	0	0
0	0	0	0	6,869	0	2,500	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
10,228	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>10,228</u>	<u>0</u>	<u>0</u>	<u>342,657</u>	<u>6,869</u>	<u>0</u>	<u>2,500</u>	<u>0</u>
<u>(10,228)</u>	<u>0</u>	<u>0</u>	<u>(342,657)</u>	<u>8,046</u>	<u>16,708</u>	<u>914</u>	<u>2,877</u>
0	0	0	0	0	0	0	0
0	0	0	350,000	0	0	0	0
0	0	(1,000)	(185,000)	0	0	0	0
0	0	(1,000)	165,000	0	0	0	0
(10,228)	0	(1,000)	(177,657)	8,046	16,708	914	2,877
115,269	5,765	1,000	389,686	41,660	113,649	21,799	31,563
<u>\$105,041</u>	<u>\$5,765</u>	<u>\$0</u>	<u>\$212,029</u>	<u>\$49,706</u>	<u>\$130,357</u>	<u>\$22,713</u>	<u>\$34,440</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Parking	Bus Transit	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Revenues					
Property Taxes	\$0	\$0	\$133,376	\$133,376	\$266,752
Municipal Income Taxes	0	588,460	0	0	1,087,778
Charges for Services	49,716	123,532	0	0	173,998
Fines, Licenses and Permits	0	0	0	0	65,241
Intergovernmental	0	941,055	13,274	13,274	2,264,428
Investment Earnings	0	0	0	0	72
Miscellaneous	24,025	11,768	0	0	47,228
Total Revenue	73,741	1,664,815	146,650	146,650	3,905,497
Expenditures					
<i>Current:</i>					
General Government	0	0	0	0	342,657
<i>Security of Persons and Property:</i>					
Police	0	0	480,331	0	489,700
Fire	0	0	0	592,990	592,990
Transportation	200,845	1,649,760	0	0	3,243,137
Community Environment	0	0	0	0	700,992
Leisure Time Activities	0	0	0	0	696,104
<i>Debt Service:</i>					
Principal Retirement	0	0	0	0	1,910
Interest and Fiscal Charges	0	0	0	0	445
Total Expenditures	200,845	1,649,760	480,331	592,990	6,067,935
Excess of Revenues Over (Under) Expenditures	(127,104)	15,055	(333,681)	(446,340)	(2,162,438)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	318	16,930	0	0	34,248
Transfers-In	124,000	0	343,736	466,975	2,045,347
Transfers-Out	(391)	(22,767)	(10,000)	(35,000)	(428,602)
Total Other Sources (Uses)	123,927	(5,837)	333,736	431,975	1,650,993
Net Change in Fund Balances	(3,177)	9,218	55	(14,365)	(511,445)
Fund Balances at Beginning of Year	60,635	972,522	10,754	25,176	2,543,763
Fund Balances at End of Year	\$57,458	\$981,740	\$10,809	\$10,811	\$2,032,318

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City of Chillicothe, Ohio

Combining Balance Sheet
 Nonmajor Capital Projects Funds

December 31, 2003

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
Assets			
Equity in Pooled Cash & Cash Equivalents	\$32,000	\$0	\$445,615
Income Tax Receivable	0	0	68,248
Prepaid Items	<u>0</u>	<u>0</u>	<u>2,244</u>
Total Assets	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$516,107</u></u>
Liabilities			
Accounts Payable	\$0	\$0	\$0
Interfund Payable	<u>0</u>	<u>0</u>	<u>21,416</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>21,416</u>
Fund Balances			
Reserved for Encumbrances	0	220,000	8,207
Unreserved	<u>32,000</u>	<u>(220,000)</u>	<u>486,484</u>
Total Fund Balances	<u>32,000</u>	<u>0</u>	<u>494,691</u>
Total Liabilities and Fund Balances	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$516,107</u></u>

<u>Landfill Closure</u>	<u>Parks & Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Project Funds</u>
\$84,089	\$34,438	\$50,194	\$646,336
0	24,023	0	92,271
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,244</u>
<u>\$84,089</u>	<u>\$58,461</u>	<u>\$50,194</u>	<u>\$740,851</u>
\$0	\$152	\$0	\$152
0	21,416	0	42,832
<u>0</u>	<u>21,568</u>	<u>0</u>	<u>42,984</u>
0	0	2,820	231,027
84,089	36,893	47,374	466,840
<u>84,089</u>	<u>36,893</u>	<u>50,194</u>	<u>697,867</u>
<u>\$84,089</u>	<u>\$58,461</u>	<u>\$50,194</u>	<u>\$740,851</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
Revenues			
Municipal Income Taxes	\$0	\$0	\$588,460
Miscellaneous	<u>0</u>	<u>0</u>	<u>1,000</u>
Total Revenue	<u>0</u>	<u>0</u>	<u>589,460</u>
Expenditures			
Capital Outlay	<u>68,000</u>	<u>0</u>	<u>276,591</u>
Total Expenditures	<u>68,000</u>	<u>0</u>	<u>276,591</u>
Excess of Revenues Over (Under) Expenditures	(68,000)	0	312,869
Other Financing Sources (Uses)			
Transfers-In	0	0	0
Transfers-Out	<u>0</u>	<u>0</u>	<u>(245,627)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(245,627)</u>
Net Change in Fund Balances	(68,000)	0	67,242
Fund Balances at Beginning of Year	<u>100,000</u>	<u>0</u>	<u>427,449</u>
Fund Balances at End of Year	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$494,691</u></u>

<u>Landfill Closure</u>	<u>Parks & Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Project Funds</u>
\$0	\$89,141	\$0	\$677,601
<u>0</u>	<u>19,286</u>	<u>0</u>	<u>20,286</u>
0	108,427	0	697,887
<u>41,327</u>	<u>132,049</u>	<u>7,358</u>	<u>525,325</u>
<u>41,327</u>	<u>132,049</u>	<u>7,358</u>	<u>525,325</u>
(41,327)	(23,622)	(7,358)	172,562
0	0	7,500	7,500
<u>0</u>	<u>(5,657)</u>	<u>0</u>	<u>(251,284)</u>
0	(5,657)	7,500	(243,784)
(41,327)	(29,279)	142	(71,222)
<u>125,416</u>	<u>66,172</u>	<u>50,052</u>	<u>769,089</u>
<u>\$84,089</u>	<u>\$36,893</u>	<u>\$50,194</u>	<u>\$697,867</u>

City of Chillicothe, Ohio

Statement of Changes in Assets & Liabilities
Agency Fund

For the Year Ended December 31, 2003

	<u>Balance 1/1/2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2003</u>
Deposits Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$21,858</u>	<u>\$860</u>	<u>\$0</u>	<u>\$22,718</u>
Total Assets	<u><u>\$21,858</u></u>	<u><u>\$860</u></u>	<u><u>\$0</u></u>	<u><u>\$22,718</u></u>
Liabilities				
Deposits Held and Due to Others	<u>\$21,858</u>	<u>\$860</u>	<u>\$0</u>	<u>\$22,718</u>
Total Liabilities	<u><u>\$21,858</u></u>	<u><u>\$860</u></u>	<u><u>\$0</u></u>	<u><u>\$22,718</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$8,802,491	\$8,814,934	\$8,930,392	\$115,458
Charges for Services	2,541,752	2,455,752	2,528,692	72,940
Fines, Licenses and Permits	1,427,000	1,338,000	1,457,814	119,814
Intergovernmental	1,828,280	1,919,674	2,002,595	82,921
Special Assessments	500	500	3,430	2,930
Investment Earnings	301,000	145,000	135,919	(9,081)
Miscellaneous	129,000	431,387	498,367	66,980
Total Revenue	15,030,023	15,105,247	15,557,209	451,962
Expenditures				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	325,100	310,996	308,665	2,331
Fringe Benefits	170,850	171,838	170,338	1,500
Travel Transportation	1,500	1,085	385	700
Materials and Supplies	53,450	56,517	45,840	10,677
Contractual Services	4,500	2,856	707	2,149
Capital Outlay	0	800	792	8
Other	6,500	5,492	3,269	2,223
Total Mayor	561,900	549,584	529,996	19,588
Economic Development				
Travel Transportation	4,000	4,620	1,924	2,696
Materials and Supplies	9,850	9,350	7,917	1,433
Contractual Services	8,900	9,613	2,851	6,762
Other	4,000	6,550	4,678	1,872
Total Economic Development	26,750	30,133	17,370	12,763
City Council				
Personal Services	57,700	57,981	57,981	0
Fringe Benefits	118,719	127,694	127,694	0
Travel Transportation	1,000	0	0	0
Materials and Supplies	1,250	850	507	343
Other	100	100	0	100
Total City Council	178,769	186,625	186,182	443
Treasurer				
Personal Services	35,000	35,110	35,110	0
Fringe Benefits	31,150	32,452	32,452	0
Travel Transportation	300	43	0	43
Materials and Supplies	1,750	1,607	1,095	512
Contractual Services	2,000	2,300	2,189	111
Other	325	325	262	63
Total Treasurer	70,525	71,837	71,108	729

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income Tax Department				
Personal Services	134,000	137,244	137,244	0
Fringe Benefits	65,500	82,416	82,416	0
Travel Transportation	400	5	5	0
Materials and Supplies	12,500	11,672	9,411	2,261
Contractual Services	1,800	4,580	4,580	0
Other	3,250	100	67	33
Total Income Tax Department	217,450	236,017	233,723	2,294
Land and Buildings				
Materials and Supplies	137,250	147,303	113,721	33,582
Contractual Services	48,000	43,047	41,920	1,127
Capital Outlay	35,000	38,750	29,075	9,675
Other	50	50	0	50
Total Land and Buildings	220,300	229,150	184,716	44,434
Law Director				
Personal Services	288,000	289,263	289,263	0
Fringe Benefits	158,100	171,105	171,105	0
Travel Transportation	725	991	867	124
Materials and Supplies	31,350	32,000	25,725	6,275
Contractual Services	1,850	81,460	81,319	141
Capital Outlay	550	550	110	440
Other	3,050	1,924	1,192	732
Total Law Director	483,625	577,293	569,581	7,712
Auditor				
Personal Services	290,100	302,386	302,386	0
Fringe Benefits	135,400	145,422	145,422	0
Travel Transportation	4,700	4,342	4,142	200
Materials and Supplies	16,800	18,548	15,135	3,413
Contractual Services	0	267	267	0
Other	3,700	1,269	1,236	33
Total Auditor	450,700	472,234	468,588	3,646
Municipal Court				
Personal Services	931,966	943,586	943,494	92
Fringe Benefits	455,770	496,663	496,638	25
Travel Transportation	4,300	4,790	4,520	270
Materials and Supplies	61,119	61,931	50,878	11,053
Contractual Services	3,950	3,800	5,001	-1,201
Capital Outlay	39,836	59,381	42,181	17,200
Other	11,230	5,768	5,091	677
Total Municipal Court	1,508,171	1,575,919	1,547,803	28,116

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personal Services	36,500	38,982	38,931	51
Fringe Benefits	20,175	22,593	22,298	295
Travel Transportation	1,500	2,353	1,988	365
Materials and Supplies	20,100	16,855	14,538	2,317
Contractual Services	800	800	426	374
Other	2,550	1,737	1,685	52
Total Civil Service	<u>81,625</u>	<u>83,320</u>	<u>79,866</u>	<u>3,454</u>
Service Department				
Personal Services	145,000	143,817	136,367	7,450
Fringe Benefits	80,400	82,236	78,441	3,795
Travel Transportation	350	17	17	0
Materials and Supplies	11,500	12,040	7,729	4,311
Capital Outlay	0	200	195	5
Other	625	185	50	135
Total Service Department	<u>237,875</u>	<u>238,495</u>	<u>222,799</u>	<u>15,696</u>
Engineering				
Personal Services	385,000	401,130	401,130	0
Fringe Benefits	197,500	210,073	210,073	0
Travel Transportation	11,900	11,850	9,758	2,092
Materials and Supplies	27,825	28,500	22,341	6,159
Contractual Services	27,850	30,639	25,945	4,694
Capital Outlay	0	150	150	0
Other	12,450	9,436	7,368	2,068
Total Engineering	<u>662,525</u>	<u>691,778</u>	<u>676,765</u>	<u>15,013</u>
Postage and Stores				
Materials and Supplies	70,000	70,000	55,415	14,585
Total Postage and Stores	<u>70,000</u>	<u>70,000</u>	<u>55,415</u>	<u>14,585</u>
Miscellaneous				
Fringe Benefits	14,300	34,100	31,674	2,426
Materials and Supplies	523,800	565,800	486,346	79,454
Contractual Services	197,238	216,528	195,256	21,272
Capital Outlay	10,219	13,193	11,333	1,860
Other	41,300	45,937	43,760	2,177
Total Miscellaneous	<u>786,857</u>	<u>875,558</u>	<u>768,369</u>	<u>107,189</u>
Total General Government	<u>5,557,072</u>	<u>5,887,943</u>	<u>5,612,281</u>	<u>275,662</u>
Security of Persons and Property				
Police Department				
Personal Services	2,750,000	2,801,206	2,801,206	0
Fringe Benefits	799,800	817,992	817,992	0
Travel Transportation	4,000	232	232	0
Materials and Supplies	178,282	165,385	132,361	33,024
Contractual Services	291,350	333,654	331,072	2,582
Other	63,500	48,883	40,269	8,614
Total Police Department	<u>4,086,932</u>	<u>4,167,352</u>	<u>4,123,132</u>	<u>44,220</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department				
Personal Services	2,650,000	2,690,758	2,690,718	40
Fringe Benefits	742,800	777,154	776,381	773
Travel Transportation	1,500	1,900	1,615	285
Materials and Supplies	250,002	270,291	179,405	90,886
Contractual Services	18,500	24,800	9,498	15,302
Capital Outlay	0	1,500	1,500	0
Other	63,862	50,352	23,010	27,342
Total Fire Department	<u>3,726,664</u>	<u>3,816,755</u>	<u>3,682,127</u>	<u>134,628</u>
Civil Defense				
Other	6,350	6,350	6,350	0
Total Civil Defense	<u>6,350</u>	<u>6,350</u>	<u>6,350</u>	<u>0</u>
Humane Officer				
Personal Services	4,000	3,800	3,588	212
Fringe Benefits	1,055	1,085	902	183
Contractual Services	4,000	4,000	4,000	0
Total Humane Officer	<u>9,055</u>	<u>8,885</u>	<u>8,490</u>	<u>395</u>
School Crossing Guards				
Personal Services	60,000	52,438	47,575	4,863
Fringe Benefits	13,900	13,900	12,718	1,182
Materials and Supplies	500	500	0	500
Total School Crossing Guards	<u>74,400</u>	<u>66,838</u>	<u>60,293</u>	<u>6,545</u>
Total Security of Persons and Property	<u>7,903,401</u>	<u>8,066,180</u>	<u>7,880,392</u>	<u>185,788</u>
Transportation				
Streets and Sidewalks				
Materials and Supplies	181,000	196,000	195,993	7
Total Streets and Sidewalks	<u>181,000</u>	<u>196,000</u>	<u>195,993</u>	<u>7</u>
Total Transportation	<u>181,000</u>	<u>196,000</u>	<u>195,993</u>	<u>7</u>
Community Environment				
Planning Commission				
Materials and Supplies	100	100	23	77
Total Planning Commission	<u>100</u>	<u>100</u>	<u>23</u>	<u>77</u>
Design and Review				
Other	900	900	381	519
Total Design and Review	<u>900</u>	<u>900</u>	<u>381</u>	<u>519</u>
Total Community Environment	<u>1,000</u>	<u>1,000</u>	<u>404</u>	<u>596</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Refuse Department				
Personal Services	327,600	312,703	310,349	2,354
Fringe Benefits	175,000	179,951	178,752	1,199
Materials and Supplies	37,900	42,400	29,191	13,209
Contractual Services	370,000	438,000	382,727	55,273
Other	11,250	11,250	10,530	720
Total Refuse Department	921,750	984,304	911,549	72,755
Total Basic Utility Services	921,750	984,304	911,549	72,755
Leisure Time Activities				
Swimming Pool				
Personal Services	56,000	52,124	52,122	2
Fringe Benefits	5,425	8,837	8,796	41
Materials and Supplies	49,103	53,543	44,327	9,216
Contractual Services	3,395	3,195	2,187	1,008
Capital Outlay	93,500	98,380	19,669	78,711
Other	1,930	790	595	195
Total Swimming Pool	209,353	216,869	127,696	89,173
Total Leisure Time Activities	209,353	216,869	127,696	89,173
Total Expenditures	14,773,576	15,352,296	14,728,315	623,981
Excess of Revenues Over (Under) Expenditures	256,447	(247,049)	828,894	1,075,943
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	5,790	5,790
Transfers-In	165,000	262,800	293,991	31,191
Transfers-Out	(2,418,500)	(2,201,625)	(2,170,847)	30,778
Total Other Sources (Uses)	(2,253,500)	(1,938,825)	(1,871,066)	67,759
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,997,053)	(2,185,874)	(1,042,172)	1,143,702
Fund Balances at Beginning of Year	2,141,231	2,141,231	2,141,231	0
Prior Year Encumbrances Appropriated	59,712	59,712	59,712	0
Fund Balances (Deficit) at End of Year	\$203,890	\$15,069	\$1,158,771	\$1,143,702

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$660,000	\$711,000	\$725,360	\$14,360
Miscellaneous	0	0	1,843	1,843
Total Revenue	660,000	711,000	727,203	16,203
Expenditures				
<i>Current:</i>				
Transportation				
Street Maintenance & Repair				
Personal Services	571,000	630,182	630,182	0
Fringe Benefits	319,700	357,910	357,910	0
Travel Transportation	200	0	0	0
Materials and Supplies	200,700	241,312	217,528	23,784
Contractual Services	5,000	1,542	1,246	296
Capital Outlay	102,035	146,626	108,576	38,050
Other	12,350	17,043	16,843	200
Total Transportation	1,210,985	1,394,615	1,332,285	62,330
Total Expenditures	1,210,985	1,394,615	1,332,285	62,330
Excess of Revenues Over (Under) Expenditures	(550,985)	(683,615)	(605,082)	78,533
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	12,500	12,500	0
Transfers-In	449,000	503,636	503,636	0
Total Other Sources (Uses)	449,000	516,136	516,136	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(101,985)	(167,479)	(88,946)	78,533
Fund Balances at Beginning of Year	154,948	154,948	154,948	0
Prior Year Encumbrances Appropriated	13,346	13,346	13,346	0
Fund Balances (Deficit) at End of Year	\$66,309	\$815	\$79,348	\$78,533

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,000	\$51,500	\$58,812	\$7,312
Total Revenue	45,000	51,500	58,812	7,312
Expenditures				
Current:				
Transportation				
State Highway Maintenance & Repair				
Personal Services	110,000	106,590	101,769	4,821
Fringe Benefits	59,320	62,730	62,704	26
Total Transportation	169,320	169,320	164,473	4,847
Total Expenditures	169,320	169,320	164,473	4,847
Excess of Revenues Over (Under) Expenditures	(124,320)	(117,820)	(105,661)	12,159
Other Financing Sources (Uses)				
Transfers-In	125,000	107,000	107,000	0
Total Other Sources (Uses)	125,000	107,000	107,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	680	(10,820)	1,339	12,159
Fund Balances at Beginning of Year	11,517	11,517	11,517	0
Fund Balances at End of Year	12,197	697	12,856	12,159

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues				
Local Taxes	\$479,000	\$499,494	\$497,576	(\$1,918)
Charges for Services	300	300	750	450
Fines, Licenses and Permits	28,000	28,000	27,327	(673)
Miscellaneous	8,500	9,199	9,607	408
Total Revenue	515,800	536,993	535,260	(1,733)
Expenditures				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	389,000	395,086	394,725	361
Fringe Benefits	185,650	215,059	212,002	3,057
Travel Transportation	1,140	1,170	1,041	129
Materials and Supplies	121,156	129,529	103,984	25,545
Contractual Services	5,700	7,322	4,844	2,478
Capital Outlay	3,000	3,984	3,306	678
Other	21,860	14,039	13,283	756
Total Leisure Time Activities	727,506	766,189	733,185	33,004
Total Expenditures	727,506	766,189	733,185	33,004
Excess of Revenues Over (Under) Expenditures	(211,706)	(229,196)	(197,925)	31,271
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	4,500	4,500	0
Transfers-In	150,000	150,000	150,000	0
Transfers-Out	(12,800)	(17,770)	(17,742)	28
Total Other Sources (Uses)	137,200	136,730	136,758	28
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(74,506)	(92,466)	(61,167)	31,299
Fund Balances at Beginning of Year	91,679	91,679	91,679	0
Prior Year Encumbrances Appropriated	2,632	2,632	2,632	0
Fund Balances at End of Year	\$19,805	\$1,845	\$33,144	\$31,299

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$395,000	\$1,139,347	\$306,726	(\$832,621)
Investment Earnings	0	0	7	7
Total Revenue	395,000	1,139,347	306,733	(832,614)
Expenditures				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Materials and Supplies	442,001	1,114,692	437,853	676,839
Contractual Services	271,620	372,295	272,295	100,000
Other	45,000	45,000	0	45,000
Total Community Environment	758,621	1,531,987	710,148	821,839
Total Expenditures	758,621	1,531,987	710,148	821,839
Excess of Revenues Over (Under) Expenditures	(363,621)	(392,640)	(403,415)	(10,775)
Fund Balances at Beginning of Year	260,664	260,664	260,664	0
Prior Year Encumbrances Appropriated	132,013	132,013	132,013	0
Fund Balances (Deficit) at End of Year	<u>\$29,056</u>	<u>\$37</u>	<u>(\$10,738)</u>	<u>(\$10,775)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$30,000	\$235,250	\$176,445	(\$58,805)
Investment Earnings	0	0	35	35
Total Revenue	<u>30,000</u>	<u>235,250</u>	<u>176,480</u>	<u>(58,770)</u>
Expenditures				
<i>Current:</i>				
Community Environment				
Grants				
Capital Outlay	9,200	17,942	13,319	4,623
Other	0	79,082	0	79,082
Total Community Environment	<u>9,200</u>	<u>97,024</u>	<u>13,319</u>	<u>83,705</u>
Total Expenditures	<u>9,200</u>	<u>97,024</u>	<u>13,319</u>	<u>83,705</u>
Excess of Revenues Over (Under) Expenditures	20,800	138,226	163,161	24,935
Other Financing Sources (Uses)				
Transfers-Out	<u>(30,589)</u>	<u>(156,757)</u>	<u>(156,757)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(30,589)</u>	<u>(156,757)</u>	<u>(156,757)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(9,789)	(18,531)	6,404	24,935
Fund Balances at Beginning of Year	25,152	25,152	25,152	0
Prior Year Encumbrances Appropriated	<u>4,371</u>	<u>4,371</u>	<u>4,371</u>	<u>0</u>
Fund Balances at End of Year	<u>\$19,734</u>	<u>\$10,992</u>	<u>\$35,927</u>	<u>\$24,935</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Materials and Supplies	14,150	15,600	10,265	5,335
Contractual Services	1,100	1,100	0	1,100
Capital Outlay	20,000	20,000	0	20,000
Other	1,500	50	45	5
Total Community Environment	<u>36,750</u>	<u>36,750</u>	<u>10,310</u>	<u>26,440</u>
Total Expenditures	<u>36,750</u>	<u>36,750</u>	<u>10,310</u>	<u>26,440</u>
Excess of Revenues Over (Under) Expenditures	(36,750)	(36,750)	(10,310)	26,440
Fund Balances at Beginning of Year	<u>114,898</u>	<u>114,898</u>	<u>114,898</u>	<u>0</u>
Fund Balances at End of Year	<u>\$78,148</u>	<u>\$78,148</u>	<u>\$104,588</u>	<u>\$26,440</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers-Out	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(1,000)	(1,000)	(1,000)	0
Fund Balances at Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	350,000	350,000	342,657	7,343
Total General Government	350,000	350,000	342,657	7,343
Total Expenditures	350,000	350,000	342,657	7,343
Excess of Revenues Over (Under) Expenditures	(350,000)	(350,000)	(342,657)	7,343
Other Financing Sources (Uses)				
Transfers-In	350,000	350,000	350,000	0
Transfers-Out	0	(185,000)	(185,000)	
Total Other Sources (Uses)	350,000	165,000	165,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	0	(185,000)	(177,657)	7,343
Fund Balances at Beginning of Year	389,686	389,686	389,686	0
Fund Balances at End of Year	\$389,686	\$204,686	\$212,029	\$7,343

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$0	\$0	\$14,915	\$14,915
Total Revenue	0	0	14,915	14,915
Expenditures				
Current:				
Security of Persons and Property				
Enforcement & Education				
Other	10,000	13,000	6,869	6,131
Total Security of Persons and Property	10,000	13,000	6,869	6,131
Total Expenditures	10,000	13,000	6,869	6,131
Excess of Revenues Over (Under) Expenditures	(10,000)	(13,000)	8,046	21,046
Fund Balances at Beginning of Year	41,660	41,660	41,660	0
Fund Balances at End of Year	\$31,660	\$28,660	\$49,706	\$21,046

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$10,000	\$10,000	\$16,371	\$6,371
Total Revenue	10,000	10,000	16,371	6,371
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Alcohol Treatment				
Contractual Services	10,000	10,000	0	10,000
Total Security of Persons and Property	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Excess of Revenues Over (Under) Expenditures	0	0	16,371	16,371
Fund Balances at Beginning of Year	113,410	113,410	113,410	0
Fund Balances at End of Year	\$113,410	\$113,410	\$129,781	\$16,371

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$3,000	\$3,000	\$3,364	\$364
Total Revenue	3,000	3,000	3,364	364
Expenditures				
Current:				
Security of Persons and Property Enforcement & Education Other	10,000	10,000	2,500	7,500
Total Security of Persons and Property	10,000	10,000	2,500	7,500
Total Expenditures	10,000	10,000	2,500	7,500
Excess of Revenues Over (Under) Expenditures	(7,000)	(7,000)	864	7,864
Fund Balances at Beginning of Year	21,674	21,674	21,674	0
Fund Balances at End of Year	\$14,674	\$14,674	\$22,538	\$7,864

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$3,000	\$3,000	\$2,765	(\$235)
Total Revenue	3,000	3,000	2,765	(235)
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	1,000	1,000	0	1,000
Total Security of Persons and Property	1,000	1,000	0	1,000
Total Expenditures	1,000	1,000	0	1,000
Excess of Revenues Over (Under) Expenditures	2,000	2,000	2,765	765
Fund Balances at Beginning of Year	31,363	31,363	31,363	0
Fund Balances at End of Year	\$33,363	\$33,363	\$34,128	\$765

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$47,000	\$47,000	\$49,716	\$2,716
Miscellaneous	0	0	24,025	24,025
Total Revenue	47,000	47,000	73,741	26,741
Expenditures				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	88,200	94,843	91,973	2,870
Fringe Benefits	49,450	47,869	42,227	5,642
Travel	200	5	5	0
Materials and Supplies	24,750	25,260	17,603	7,657
Contractual Services	1,060	881	341	540
Capital Outlay	50,000	71,735	71,002	733
Other	1,910	1,380	1,020	360
Total Transportation	215,570	241,973	224,171	17,802
Total Expenditures	215,570	241,973	224,171	17,802
Excess of Revenues Over (Under) Expenditures	(168,570)	(194,973)	(150,430)	44,543
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	318	318
Transfers-In	124,000	124,000	124,000	0
Transfers-Out	(550)	(550)	(408)	142
Total Other Sources (Uses)	123,450	123,450	123,910	460
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(45,120)	(71,523)	(26,520)	45,003
Fund Balances at Beginning of Year	60,338	60,338	60,338	0
Unexpended Prior Year Encumbrances	22,403	22,403	22,403	0
Fund Balances (Deficit) at End of Year	37,621	11,218	56,221	45,003

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$580,000	\$580,000	\$585,771	\$5,771
Charges for Services	65,500	65,500	123,532	58,032
Intergovernmental	908,769	908,769	825,913	(82,856)
Miscellaneous	18,000	18,000	11,768	(6,232)
Total Revenue	<u>1,572,269</u>	<u>1,572,269</u>	<u>1,546,984</u>	<u>(25,285)</u>
Expenditures				
Current:				
Transportation				
Bus Transit System				
Personal Services	693,000	695,161	695,161	0
Fringe Benefits	317,100	347,763	347,763	0
Travel Transportation	1,800	1,316	1,316	0
Materials and Supplies	141,450	121,970	121,970	0
Contractual Services	550	15,684	15,684	0
Capital Outlay	165,226	375,887	375,111	776
Other	197,952	199,958	199,958	0
Total Transportation	<u>1,517,078</u>	<u>1,757,739</u>	<u>1,756,963</u>	<u>776</u>
Total Expenditures	<u>1,517,078</u>	<u>1,757,739</u>	<u>1,756,963</u>	<u>776</u>
Excess of Revenues Over (Under) Expenditures	55,191	(185,470)	(209,979)	(24,509)
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	16,930	16,930
Transfers-Out	(20,400)	(22,785)	(22,785)	0
Total Other Sources (Uses)	<u>(20,400)</u>	<u>(22,785)</u>	<u>(5,855)</u>	<u>16,930</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	34,791	(208,255)	(215,834)	(7,579)
Fund Balances at Beginning of Year	<u>901,416</u>	<u>901,416</u>	<u>901,416</u>	<u>0</u>
Fund Balances at End of Year	<u>\$936,207</u>	<u>\$693,161</u>	<u>\$685,582</u>	<u>(\$7,579)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$130,836	\$132,357	\$133,376	\$1,019
Intergovernmental	9,000	9,000	13,274	4,274
Total Revenue	<u>139,836</u>	<u>141,357</u>	<u>146,650</u>	<u>5,293</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	475,000	478,000	477,385	615
Other	3,000	3,000	2,946	54
Total Security of Persons & Property	<u>478,000</u>	<u>481,000</u>	<u>480,331</u>	<u>669</u>
Total Expenditures	<u>478,000</u>	<u>481,000</u>	<u>480,331</u>	<u>669</u>
Excess of Revenues Over (Under) Expenditures	(338,164)	(339,643)	(333,681)	5,962
Other Financing Sources (Uses)				
Transfers-In	475,000	475,000	343,736	(131,264)
Transfers-Out	(10,000)	(10,000)	(10,000)	0
Total Other Sources (Uses)	<u>465,000</u>	<u>465,000</u>	<u>333,736</u>	<u>(131,264)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	126,836	125,357	55	(125,302)
Fund Balances at Beginning of Year	<u>10,754</u>	<u>10,754</u>	<u>10,754</u>	<u>0</u>
Fund Balances at End of Year	<u>\$137,590</u>	<u>\$136,111</u>	<u>\$10,809</u>	<u>(\$125,302)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$130,836	\$132,357	\$133,376	\$1,019
Intergovernmental	9,000	9,000	13,274	4,274
Total Revenue	<u>139,836</u>	<u>141,357</u>	<u>146,650</u>	<u>5,293</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	600,000	600,000	590,044	9,956
Other	3,000	3,000	2,946	54
Total Security of Persons & Property	<u>603,000</u>	<u>603,000</u>	<u>592,990</u>	<u>10,010</u>
Total Expenditures	<u>603,000</u>	<u>603,000</u>	<u>592,990</u>	<u>10,010</u>
Excess of Revenues Over (Under) Expenditures	(463,164)	(461,643)	(446,340)	15,303
Other Financing Sources (Uses)				
Transfers-In	600,000	600,000	466,975	(133,025)
Transfers-Out	(35,000)	(35,000)	(35,000)	0
Total Other Sources (Uses)	<u>565,000</u>	<u>565,000</u>	<u>431,975</u>	<u>(133,025)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	101,836	103,357	(14,365)	(117,722)
Fund Balances at Beginning of Year	<u>25,175</u>	<u>25,175</u>	<u>25,175</u>	<u>0</u>
Fund Balances at End of Year	<u>\$127,011</u>	<u>\$128,532</u>	<u>\$10,810</u>	<u>(\$117,722)</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	\$0	\$0	\$8,930	\$8,930
Total Revenue	0	0	8,930	8,930
Expenditures				
<i>Debt Service:</i>				
Principal Retirement	205,000	2,323,958	2,290,000	33,958
Interest and Fiscal Charges	153,000	274,042	258,723	15,319
Total Debt Service	358,000	2,598,000	2,548,723	49,277
Total Expenditures	358,000	2,598,000	2,548,723	49,277
Excess of Revenues Over (Under) Expenditures	(358,000)	(2,598,000)	(2,539,793)	58,207
Other Financing Sources (Uses)				
Proceeds of Refunding Bonds	0	2,200,000	2,141,642	(58,358)
Transfers-In	356,000	356,000	356,000	0
Total Other Sources (Uses)	356,000	2,556,000	2,497,642	(58,358)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,000)	(42,000)	(42,151)	(151)
Fund Balances at Beginning of Year	104,195	104,195	104,195	0
Fund Balances at End of Year	\$102,195	\$62,195	\$62,044	(\$151)

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay				
Capital Outlay	<u>0</u>	<u>68,000</u>	<u>68,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>68,000</u>	<u>68,000</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	(68,000)	(68,000)	0
Fund Balances at Beginning of Year	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$100,000</u></u>	<u><u>\$32,000</u></u>	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$220,000	\$0	(\$220,000)
Total Revenue	0	220,000	0	(220,000)
Expenditures				
Capital Outlay				
Capital Outlay	0	220,000	220,000	0
Total Expenditures	0	220,000	220,000	0
Excess of Revenues Over (Under) Expenditures	0	0	(220,000)	(220,000)
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances (Deficit) at End of Year	\$0	\$0	(\$220,000)	(\$220,000)

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$580,000	\$580,000	\$585,771	\$5,771
Miscellaneous	0	0	1,000	1,000
Total Revenue	<u>580,000</u>	<u>580,000</u>	<u>586,771</u>	<u>6,771</u>
Expenditures				
Capital Outlay				
Capital Outlay	313,331	341,557	298,639	42,918
Other	1,889	1,889	889	1,000
Total Capital Outlay	<u>315,220</u>	<u>343,446</u>	<u>299,528</u>	<u>43,918</u>
Total Expenditures	<u>315,220</u>	<u>343,446</u>	<u>299,528</u>	<u>43,918</u>
Excess of Revenues Over (Under) Expenditures	264,780	236,554	287,243	50,689
Other Financing Sources (Uses)				
Transfers-Out	<u>(243,000)</u>	<u>(245,627)</u>	<u>(245,627)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(243,000)</u>	<u>(245,627)</u>	<u>(245,627)</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	21,780	(9,073)	41,616	50,689
Fund Balances at Beginning of Year	386,930	386,930	386,930	0
Prior Year Encumbrances Appropriated	<u>8,862</u>	<u>8,862</u>	<u>8,862</u>	<u>0</u>
Fund Balances at End of Year	<u>\$417,572</u>	<u>\$386,719</u>	<u>\$437,408</u>	<u>\$50,689</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay				
Capital Outlay	<u>70,000</u>	<u>70,000</u>	<u>41,743</u>	<u>28,257</u>
Total Capital Outlay	<u>70,000</u>	<u>70,000</u>	<u>41,743</u>	<u>28,257</u>
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>41,743</u>	<u>28,257</u>
Excess of Revenues Over (Under) Expenditures	(70,000)	(70,000)	(41,743)	28,257
Fund Balances at Beginning of Year	<u>125,832</u>	<u>125,832</u>	<u>125,832</u>	<u>0</u>
Fund Balances at End of Year	<u>\$55,832</u>	<u>\$55,832</u>	<u>\$84,089</u>	<u>\$28,257</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$101,000	\$88,188	\$88,195	\$7
Miscellaneous	13,500	18,312	19,286	974
Total Revenue	<u>114,500</u>	<u>106,500</u>	<u>107,481</u>	<u>981</u>
Expenditures				
Capital Outlay				
Materials and Supplies	0	13,500	10,956	2,544
Contractual Services	13,500	100	0	100
Capital Outlay	129,597	134,919	105,646	29,273
Total Capital Outlay	<u>143,097</u>	<u>148,519</u>	<u>116,602</u>	<u>31,917</u>
Total Expenditures	<u>143,097</u>	<u>148,519</u>	<u>116,602</u>	<u>31,917</u>
Excess of Revenues Over (Under) Expenditures	(28,597)	(42,019)	(9,121)	32,898
Other Financing Sources (Uses)				
Transfers-Out	(7,000)	(7,000)	(5,657)	1,343
Total Other Sources (Uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>(5,657)</u>	<u>1,343</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(35,597)	(49,019)	(14,778)	34,241
Fund Balances at Beginning of Year	48,394	48,394	48,394	0
Prior Year Encumbrances Appropriated	822	822	822	0
Fund Balances (Deficit) at End of Year	<u>13,619</u>	<u>197</u>	<u>34,438</u>	<u>34,241</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay				
Contractual Services	2,500	2,500	2,500	0
Capital Outlay	5,000	15,000	4,858	10,142
Total Capital Outlay	7,500	17,500	7,358	10,142
Total Expenditures	7,500	17,500	7,358	10,142
Excess of Revenues Over (Under) Expenditures	(7,500)	(17,500)	(7,358)	10,142
Other Financing Sources (Uses)				
Transfers-In	7,500	7,500	7,500	0
Total Other Sources (Uses)	7,500	7,500	7,500	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	0	(10,000)	142	10,142
Fund Balances at Beginning of Year	45,053	45,053	45,053	0
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	0
Fund Balances at End of Year	\$50,053	\$40,053	\$50,195	\$10,142

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	\$40	\$40	\$40	\$0
Total Revenue	40	40	40	0
Expenditures				
Current:				
Community Environment				
Other	1,500	1,500	0	1,500
Total Expenditures	1,500	1,500	0	1,500
Excess of Revenues Over (Under) Expenditures	(1,460)	(1,460)	40	1,500
Fund Balances at Beginning of Year	2,927	2,927	2,927	0
Fund Balances at End of Year	<u>\$1,467</u>	<u>\$1,467</u>	<u>\$2,967</u>	<u>\$1,500</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,150,000	\$4,268,720	\$4,168,151	(\$100,569)
Investment Income	6,500	6,500	39,294	32,794
Other Operating Revenue	12,000	12,000	1,145	(10,855)
Total Revenue	4,168,500	4,287,220	4,208,590	(78,630)
Expenses				
<i>Current:</i>				
Personal Services	891,400	911,326	905,827	5,499
Fringe Benefits	467,000	471,723	470,527	1,196
Travel Transportation	400	350	0	350
Contractual Services	219,450	537,129	352,617	184,512
Materials and Supplies	492,085	665,679	527,755	137,924
Other Operating Expenses	1,323,495	1,597,398	787,071	810,327
Capital Outlay	481,500	2,057,937	1,265,534	792,403
<i>Debt Service:</i>				
Principal Retirement	750,000	13,093,629	12,570,000	523,629
Interest and Fiscal Charges	645,000	657,000	766,369	(109,369)
Total Expenses	5,270,330	19,992,171	17,645,700	2,346,471
Excess of Revenues Over (Under) Expenses	(1,101,830)	(15,704,951)	(13,437,110)	2,267,841
Other Financing Sources (Uses)				
Proceeds of Refunding Bonds	0	12,100,000	11,608,809	(491,191)
Proceeds of Notes	0	2,000,000	2,000,000	0
Bond Issuance Costs	0	0	(227,921)	(227,921)
Proceeds from Sale of Capital Assets	0	0	600	600
Transfers-In	0	126,168	126,168	0
Transfers-Out	(4,080)	(4,080)	(4,080)	0
Total Other Sources (Uses)	(4,080)	14,222,088	13,503,576	(718,512)
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(1,105,910)	(1,482,863)	66,466	1,549,329
Fund Equity at Beginning of Year	5,989,452	5,989,452	5,989,452	0
Prior Year Encumbrances Appropriated	290,584	290,584	290,584	0
Fund Equity at End of Year	\$5,174,126	\$4,797,173	\$6,346,502	\$1,549,329

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,740,000	\$2,740,000	\$2,861,408	\$121,408
Investment Income	1,000	1,000	5,389	4,389
Grant Revenue	0	0	151,077	151,077
Total Revenue	2,741,000	2,741,000	3,017,874	276,874
Expenses				
<i>Current:</i>				
Personal Services	896,500	895,488	894,668	820
Fringe Benefits	452,600	487,978	487,978	0
Travel Transportation	400	350	0	350
Contractual Services	36,600	111,530	94,355	17,175
Materials and Supplies	296,375	333,044	293,530	39,514
Other Operating Expenses	582,627	579,234	359,146	220,088
Capital Outlay	613,341	1,177,265	522,687	654,578
<i>Debt Service:</i>				
Principal Retirement	255,000	3,255,000	3,254,242	758
Interest and Fiscal Charges	139,500	264,500	177,650	86,850
Total Expenses	3,272,943	7,104,389	6,084,256	1,020,133
Excess of Revenues Over (Under) Expenses	(531,943)	(4,363,389)	(3,066,382)	1,297,007
Other Financing Sources (Uses)				
Proceeds of Bonds	0	2,125,000	2,095,000	(30,000)
Transfers-In	30,000	30,000	30,000	0
Transfers-Out	(314,703)	(314,703)	(4,104)	310,599
Total Other Sources (Uses)	(284,703)	1,840,297	2,120,896	280,599
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(816,646)	(2,523,092)	(945,486)	1,577,606
Fund Equity at Beginning of Year	4,128,738	4,128,738	4,128,738	0
Prior Year Encumbrances Appropriated	67,331	67,331	67,331	0
Fund Equity at End of Year	\$3,379,423	\$1,672,977	\$3,250,583	\$1,577,606

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$5,000	\$5,000	\$18,456	\$13,456
Total Revenue	5,000	5,000	18,456	13,456
Expenditures				
Current:				
General Government				
Unclaimed Monies				
Other	6,500	16,000	13,979	2,021
Total General Government	6,500	16,000	13,979	2,021
Total Expenditures	6,500	16,000	13,979	2,021
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,500)	(11,000)	4,477	15,477
Fund Balances at Beginning of Year	56,917	56,917	56,917	0
Fund Balances at End of Year	\$55,417	\$45,917	\$61,394	\$15,477

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**CITY OF CHILLICOTHE
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

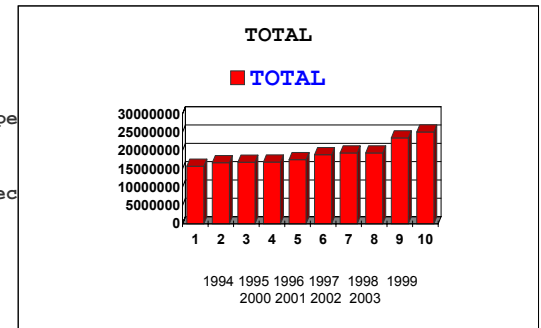
Table 1

	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Government	\$3,643,849	\$4,182,086	\$3,719,934	\$4,261,976	\$4,483,092	\$4,743,515	\$4,852,165	\$5,186,334	\$8,253,668	\$7,393,976
Security of Persons & Pr	6,127,921	6,046,290	6,534,995	6,066,279	6,596,471	7,265,341	7,749,666	7,863,743	8,476,179	8,711,972
Transportation	2,656,582	2,496,318	3,043,442	2,947,119	3,032,695	2,951,151	3,144,877	3,021,633	3,336,160	3,439,101
Community Environment	1,202,829	860,274	1,002,976	835,453	397,983	296,156	601,779	432,699	533,551	701,489
Basic Utility Services	756,113	699,311	689,479	741,063	833,684	963,720	1,018,359	1,038,420	893,922	890,736
Leisure Time Activities	517,092	578,552	608,682	615,619	633,893	680,082	708,576	730,341	771,929	822,761
Capital Outlay	204,167	1,159,255	575,199	756,275	940,767	760,693	602,319	508,306	616,504	525,325
Debt Service	604,778	642,387	640,476	615,932	597,453	1,194,722	672,884	559,492	552,826	2,601,970
Total	\$15,713,331	\$16,664,473	\$16,815,183	\$16,839,716	\$17,516,038	\$18,855,380	\$19,350,625	\$19,340,968	\$23,434,739	\$25,087,330

Source: Chillicothe City Auditor

(1) 1994 - 2003 are reported on GAAP basis; 1994 - 2001 did not report the City's Municipal Court operations as a part of the general governmental expenditures.

Note: General governmental expenditures include general, special revenue, debt service, capital projects and permanent funds.



CITY OF CHILLICOTHE
 GENERAL GOVERNMENTAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

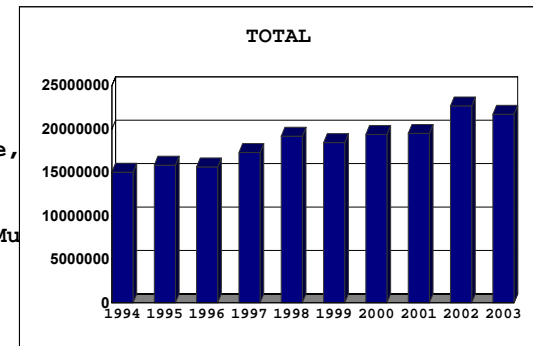
Table 2

YEAR	LOCAL TAXES	CHARGES FOR SERVICES	FINES, LICENSES & PERMITS	INTER-GOVERNMENTAL	SPECIAL ASSESSMENTS	INTEREST	OTHER	TOTAL
1994 (1)	\$8,616,177	\$626,198	\$1,132,646	\$3,662,055	\$129,027	\$371,534	\$499,292	\$15,036,929
1995 (1)	8,639,774	631,406	1,141,197	4,215,268	131,104	578,241	519,494	15,856,484
1996 (1)	8,951,489	674,140	1,086,366	3,690,474	129,767	610,183	508,821	15,651,240
1997 (1)	9,603,877	2,078,501	1,191,387	3,344,926	126,986	542,494	427,492	17,315,663
1998 (1)	10,223,543	2,257,395	1,439,458	3,658,562	119,265	658,762	821,781	19,178,766
1999 (1)	10,406,953	1,666,596	1,481,959	3,707,165	130,183	662,905	397,458	18,453,219
2000 (1)	10,683,702	1,646,356	1,503,614	3,808,469	123,662	948,055	674,489	19,388,347
2001 (1)	11,050,649	1,715,355	1,600,285	4,033,644	12,628	690,107	407,108	19,509,776
2002 (1)	11,066,815	2,211,337	4,451,859	4,357,747	3,689	266,635	308,983	22,667,065
2003 (1)	10,984,741	2,732,346	3,077,953	4,210,207	3,430	144,920	564,002	21,717,599

Source: Chillicothe City Auditor

Note: General governmental revenues include general, special revenue, debt service, capital project and permanent funds.

(1) 1994 - 2003 are reported on GAAP basis; 1994 - 2001 did not report the City's Mu operations as a part of the general governmental revenues.



CITY OF CHILLICOTHE
PROPERTY TAX LEVIES AND COLLECTIONS -
REAL, PUBLIC UTILITY AND TANGIBLE PERSONAL PROPERTY TAXES
LAST TEN FISCAL YEARS

Table 3

COLLECTION YEAR	CURRENT TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL TAX COLLECTIONS TO CURRENT TAX LEVY	TOTAL OUTSTANDING DELINQUENT TAXES	RATIO OF OUTSTANDING DELINQUENT TAXES TO CURRENT TAX LEVY
1994	\$1,064,537	\$1,055,527	99.15%	\$22,686	\$1,078,213	101.28%	\$43,696	4.10%
1995	1,082,022	1,080,661	99.87%	21,026	1,101,687	101.82%	38,082	3.52%
1996	1,188,764	1,168,687	98.31%	17,251	1,185,938	99.76%	45,065	3.79%
1997	1,241,178	1,217,394	98.08%	21,514	1,238,908	99.82%	47,791	3.85%
1998	1,284,717	1,261,575	98.20%	27,607	1,289,182	100.35%	48,899	3.81%
1999	1,374,337	1,350,362	98.26%	20,201	1,370,563	99.73%	44,675	3.25%
2000	1,393,689	1,369,358	98.25%	25,636	1,394,994	100.09%	37,211	2.67%
2001	1,399,265	1,382,712	98.82%	26,722	1,409,434	100.73%	39,819	2.85%
2002	1,469,163	1,429,337	97.29%	27,771	1,457,108	99.18%	42,707	2.91%
2003	1,518,557	1,486,333	97.88%	32,415	1,518,748	100.01%	48,375	3.19%

Source: Ross County Auditor

CITY OF CHILLICOTHE
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Table 4

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITY PROPERTY			TOTAL		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	EST. ACTUAL VALUE	ASSESSED VALUE	EST. ACTUAL VALUE	ASSESSED VALUE	EST. ACTUAL VALUE	(1) ASSESSED VALUE	(2) ESTIMATED ACTUAL VALUE		
1994	\$194,381,660	\$555,376,171	\$118,516,459	\$474,065,836	\$24,967,090	\$28,371,693	\$337,865,209	\$1,057,813,700	31.94%	
1995	195,932,420	559,806,914	122,290,910	489,163,640	25,447,860	28,918,022	343,671,190	1,077,888,576	31.88%	
1996	227,459,300	649,883,714	122,362,540	489,450,160	24,358,590	27,680,216	374,180,430	1,167,014,090	32.06%	
1997	232,568,730	664,482,086	134,527,400	538,109,600	23,681,060	26,910,295	390,777,190	1,229,501,981	31.78%	
1998	238,158,710	680,453,457	127,875,960	511,503,840	23,974,270	27,243,489	390,008,940	1,219,200,786	31.99%	
1999	273,952,180	782,720,514	133,939,782	535,759,128	25,596,250	29,086,648	433,488,212	1,347,566,290	32.17%	
2000	277,047,580	791,564,514	138,200,360	552,801,440	25,226,420	28,666,386	440,474,360	1,373,032,340	32.08%	
2001	281,716,700	804,904,857	134,758,760	539,035,040	26,229,520	29,806,273	442,704,980	1,373,746,170	32.23%	
2002	317,916,300	908,332,286	126,066,490	525,277,042	22,138,160	25,157,000	466,120,950	1,458,766,328	31.95%	
2003	320,113,840	914,610,971	136,569,160	593,778,956	25,010,810	28,421,375	481,693,810	1,536,811,302	31.34%	

Source: Ross County Auditor

(1) Assessed Value Calculation: Real Property Assessed Value + Personal Property Assessed Value + Public Utility Property Assessed Value

(2) Estimated Actual Value Calculation: Real Property Estimated Actual Value + Personal Property Estimated Actual Value + Public Utility Property Estimated Actual Value

CITY OF CHILLICOTHE
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 5

YEAR	DELINQUENT ASSESSMENTS	CURRENT ASSESSMENTS BILLED	TOTAL ASSESSMENTS BILLED	TOTAL ASSESSMENTS COLLECTED	RATIO OF ASSESSMENTS COLLECTED TO ASSESSMENTS BILLED	OUTSTANDING DELINQUENT ASSESSMENTS
1994	\$29,309	\$133,566	\$162,875	\$131,578	80.78%	\$31,297
1995	33,648	131,875	165,523	133,795	80.83%	31,728
1996	34,667	122,158	156,825	130,816	83.42%	26,009
1997	15,070	139,067	154,137	138,364	89.77%	15,773
1998	18,224	120,639	138,863	119,916	86.36%	18,947
1999	21,222	127,460	148,682	132,142	88.88%	16,540
2000	19,073	122,480	141,553	120,700	85.27%	20,853
2001	15,899	6,695	22,594	14,998	66.38%	7,596
2002	3,727	2,387	6,114	5,345	87.42%	769
2003	947	13,884	14,831	11,047	74.49%	3,784

Source: Ross County Auditor

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

Table 6

YEAR	(1) POPULATION	(2) ASSESSED VALUE	GROSS BONDED DEBT	(3) LESS DEBT SERVICE FUNDS	(4) LESS SELF- SUPPORTING DEBT	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1994	22,176	\$337,865,209	\$24,600,000	\$24,388	\$20,435,000	\$4,140,612	1.226%	186.72
1995	22,176	343,671,190	23,595,000	35,440	19,660,000	3,899,560	1.135%	175.85
1996	22,176	374,180,430	22,555,000	46,262	18,855,000	3,653,738	0.976%	164.76
1997	22,176	390,777,190	21,475,000	58,131	18,020,000	3,396,869	0.869%	153.18
1998	22,726	390,008,940	20,355,000	70,396	17,150,000	3,134,604	0.804%	137.93
1999	22,726	433,488,212	19,740,000	78,705	16,240,000	3,421,295	0.789%	150.55
2000	22,041	440,474,360	18,500,000	92,536	15,290,000	3,117,464	0.708%	141.44
2001	22,041	442,704,980	17,305,000	99,783	14,410,000	2,795,217	0.631%	126.82
2002	21,796	466,120,950	16,060,000	104,236	13,490,000	2,465,764	0.529%	113.13
2003	21,796	481,693,810	17,060,000	62,044	14,655,000	2,342,956	0.486%	107.49

(1) Bureau of the Census/Ohio Valley Regional Development Commission

(2) From Table 4

(3) Amount available in debt service fund for repayment of general obligation bonds.

(4) Self-supporting debt represents bonded debt paid with enterprise.

CITY OF CHILLICOTHE
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2003

Table 7

Total Of All City Debt Outstanding.	\$19,060,000
Debt Exempt from Computation:	
Revenue Bonds Payable from Enterprise Fund	\$12,560,000
G. O. Bonds Payable from Enterprise Fund Re	2,095,000
Notes Payable from Enterprise Fund Revenues	2,000,000
Total Exempt Debt	<u>16,655,000</u>
Net Indebtedness (Voted and Unvoted)	2,405,000
Less: Available funds in Debt Service Fund as of December 31, 2003	<u>62,044</u>
Total Net Indebtedness Subject to Direct Debt Limitation	<u>\$2,342,956</u>
Assessed Valuation of County (2003 collection year).	<u>\$481,693,810</u>
Direct Debt Limitation (10.5% of City Assessed Valuation)	\$50,577,850
Total Net Indebtedness Subject to 10.5% Debt Limitation	<u>2,342,956</u>
DIRECT DEBT MARGIN	<u>\$48,234,894</u>
Unvoted Debt Limitation (5.5% of City Assessed Valuation)	\$26,493,160
Total Net Indebtedness Subject to 5.5% Debt Limitation	<u>2,342,956</u>
UNVOTED DEBT MARGIN	<u>\$24,150,204</u>

Source: Chillicothe City Auditor

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

Table 8

YEAR	CITY OF CHILLICOT			ROSS COUNTYCHILLICOTHE CITY SCHOOL DISTRICT							TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL SCHOOL MILLAGE	OTHER	
1994	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.70	38.40	3.80	54.80
1995	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.70	38.40	3.80	54.80
1996	3.20	0.00	3.20	10.90	0.00	10.90	37.70	0.70	38.40	3.80	56.30
1997	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.40	38.10	3.80	54.50
1998	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.20	37.90	3.80	54.30
1999	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.10	37.80	3.80	54.20
2000	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.04	37.74	3.80	54.14
2001	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2002	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2003	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10

Source: Ross County Auditor

CITY OF CHILLICOTHE
 COMPUTATION OF DIRECT AND OVERLAPPING
 NET GENERAL OBLIGATION BONDED DEBT
 DECEMBER 31, 2003

Table 9

POLITICAL SUBDIVISION	NET G.O. BONDED DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY	AMOUNT APPLICABLE TO CITY
Direct			

City of Chillicothe	\$2,342,956	100.00%	\$2,342,956
Overlapping			

Ross County	7,521,397	46.08%	3,465,860
Union-Scioto Local School	3,968,949	11.23%	445,713
Southeastern Local School	3,537,622	7.93%	280,533
Pickaway-Ross Vocational	340,000	28.14%	95,676
Springfield Township	9,134	4.08%	373
Zane Trace Local School	3,852,681	1.07%	41,224
			<hr/>
Sub-Total Overlapping Districts			4,329,379
			<hr/>
Grand Total			\$6,672,335
			<hr/> <hr/>

Source: Chillicothe City Auditor/Ross County Auditor

NOTE: Net General Obligation Bonded Debt includes General Obligation Bonds self-supporting Enterprise Debt and amounts available in Debt

CITY OF CHILLICOTHE
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT (1)
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Table 10

YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICES	(2) TOTAL GENERAL GOVERNMENT EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1994	215,000	235,752	450,752	15,713,331	2.87%
1995	230,000	227,797	457,797	16,664,473	2.75%
1996	235,000	218,369	453,369	16,815,183	2.70%
1997	245,000	207,793	452,793	16,839,716	2.69%
1998	250,000	196,155	446,155	17,516,038	2.55%
1999	280,000	198,684	478,684	18,855,380	2.54%
2000	290,000	199,434	489,434	19,350,625	2.53%
2001	315,000	184,194	499,194	19,340,968	2.58%
2002	325,000	167,379	492,379	23,434,739	2.10%
2003	245,000	62,044	307,044	25,087,330	1.22%

Source: Chillicothe City Auditor

(1) General obligation bonded debt represents the commitment of government only. Enterprise debt is not included.

(2) Includes general, special revenue, debt service, capital project and funds...See Table 1.

**CITY OF CHILLICOTHE
 DEMOGRAPHIC STATISTICS AND
 AVERAGE UNEMPLOYMENT RATES
 LAST TEN FISCAL YEARS**

Table 11

<u>YEAR</u>	<u>(1) POPULATION</u>	<u>(1) PER CAPITA INCOME</u>	<u>(1) MEDIAN AGE</u>	<u>(2) SCHOOL ENROLLMENT</u>	<u>(3) ROSS COUNTY UNEMPLOYMENT</u>	<u>(3) STATE OF OHIO UNEMPLOYMENT</u>	<u>(3) UNITED STATES UNEMPLOYMENT</u>
1994	22,176	\$12,529	37.2	4,018	6.5%	5.5%	6.1%
1995	22,176	12,529	37.2	4,005	5.8%	4.8%	5.6%
1996	22,176	12,529	37.2	4,256	6.1%	4.9%	5.4%
1997	22,176	12,529	37.2	4,091	5.8%	4.5%	4.9%
1998	22,726	12,529	37.2	4,120	4.9%	3.9%	4.5%
1999	22,726	12,529	37.2	4,280	4.4%	4.0%	4.1%
2000	22,041	12,529	37.2	4,230	5.7%	3.9%	4.0%
2001	22,041	12,529	40.0	4,017	6.4%	5.3%	5.5%
2002	21,796	19,101	40.0	3,841	6.2%	5.7%	5.8%
2003	21,796	19,101	40.0	3,743	7.1%	6.0%	6.0%

Data Sources:

- (1) Bureau of the Census/Ohio Valley Regional Development Commission
- (2) Chillicothe Board of Education/Bishop Flaget Parochial School Office/Landmark Christian Academy/Sout
- (3) Ohio Job & Family Services, Office of Workforce Development

CITY OF CHILLICOTHE
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Table 12

YEAR	REAL PROPERTY VALUE (1)				NEW CONSTRUCTION (2)			
	COMMERCIAL/ INDUSTRIAL	AGRICULTURAL/ RESIDENTIAL	EXEMPTIONS	TOTAL	COMMERCIAL/ INDUSTRIAL CONSTRUCTION	AGRICULTURAL/ RESIDENTIAL CONSTRUCTION	TOTAL	(3) BANK DEPOSITS
1994	\$211,366,914	\$344,009,257	\$100,055,200	\$655,431,371	\$2,266,286	\$3,491,514	\$5,757,800	\$85,580,000
1995	212,664,800	347,142,114	100,219,514	660,026,428	1,316,000	2,986,771	4,302,771	86,555,000
1996	229,934,086	419,949,628	122,777,857	772,661,571	3,102,600	7,708,029	10,810,629	86,441,000
1997	238,616,029	425,866,057	124,078,000	788,560,086	8,781,429	5,657,943	14,439,372	87,351,000
1998	248,676,257	431,777,200	124,876,257	805,329,714	8,558,000	4,733,571	13,291,571	92,107,000
1999	276,558,543	506,161,971	126,838,342	909,558,856	7,365,457	5,895,829	13,261,286	90,807,000
2000	276,887,200	514,677,314	130,149,400	921,713,914	3,623,886	7,827,771	11,451,657	86,959,000
2001	279,956,714	524,948,143	131,717,886	936,622,743	4,139,514	5,664,542	9,804,056	99,668,000
2002	309,259,086	599,073,200	147,701,771	1,056,034,057	2,812,742	5,379,371	8,192,113	109,916,000
2003	310,573,971	604,037,000	148,345,286	1,062,956,257	2,102,629	5,771,771	7,874,400	114,375,000

(1) Estimated actual real property value from Table 4

(2) Source: Ross County Auditor

(3) Source: Federal Reserve Bank of Cleveland

CITY OF CHILlicoTHE
 PRINCIPAL REAL & PERSONAL PROPERTY TAXPAYERS
 DECEMBER 31, 2003

Table 13

Taxpayers	Type	Real Estate Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percentag of Total Assessed Valuation
MeadWestvaco	Paper Manufacturer	\$26,508,150	\$98,921,600	\$125,429,750	26.04%
Horizon Telcom, Inc	Telephone/Communications	2,008,800	13,305,020	15,313,820	3.18%
American Electric Power	Electric Utility	603,290	9,057,790	9,661,080	2.01%
PPG Industries, Inc.	Distribution Center	2,810,420	2,243,790	5,054,210	1.05%
DDR Ohio Opportunity II LLC	Shopping Center	3,389,440	0	3,389,440	0.70%
Chillicothe Mall	Shopping Center	3,312,040	0	3,312,040	0.69%
R G Chilli Assoc. LTD/Wal-Mart	Retail Store	1,602,880	1,245,050	2,847,930	0.59%
Central Center LTD.	Shopping Center	2,668,370	8,010	2,676,380	0.56%
Real Estate Finance Trust	Shopping Center	2,259,030	0	2,259,030	0.47%
BLC Corporation	Leasing Company	0	1,757,120	1,757,120	0.36%
Total Top Ten Taxpayers		45,162,420	126,538,380	171,700,800	35.65%
All Others		274,951,420	35,041,590	309,993,010	64.35%
TOTAL		<u>\$320,113,840</u>	<u>\$161,579,970</u>	<u>\$481,693,810</u>	<u>100.00%</u>

Source: Ross County Auditor

CITY OF CHILLICOTHE
ENTERPRISE REVENUE BOND COVERAGE
DECEMBER 31, 2003

Table 14

YEAR	(1) GROSS REVENUE	EXPENSES, NET OF DEPRECIATION AND INTEREST	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
<u>Water Fund Bond Coverage:</u>							
1994	\$3,556,682	\$1,788,891	\$1,767,791	\$520,000	\$870,413	\$1,390,413	1.27
1995	3,810,203	1,511,105	2,299,098	535,000	856,113	1,391,113	1.65
1996	3,807,968	1,473,090	2,334,878	555,000	836,043	1,391,043	1.68
1997	3,878,223	2,275,750	1,602,473	575,000	816,020	1,391,020	1.15
1998	3,821,755	2,502,620	1,319,135	600,000	792,158	1,392,158	0.95
1999	3,844,349	2,370,428	1,473,921	625,000	766,658	1,391,658	1.06
2000	3,967,096	2,432,293	1,534,803	655,000	738,845	1,393,845	1.10
2001	4,019,211	2,511,184	1,508,027	685,000	708,715	1,393,715	1.08
2002	4,261,581	2,580,987	1,680,594	715,000	676,520	1,391,520	1.21
2003	4,237,212	3,003,396	1,233,816	750,000	642,200	1,392,200	0.89
<u>Sewer Fund Bond Coverage:</u>							
1994	\$2,157,209	\$1,543,815	\$613,394	\$155,000	\$127,155	\$282,155	2.17
1995	2,304,071	1,401,121	902,950	160,000	122,915	282,915	3.19
1996	2,343,746	1,315,080	1,028,666	165,000	117,406	282,406	3.64
1997	2,389,270	1,972,097	417,173	170,000	112,348	282,348	1.48
1998	2,453,774	2,032,993	420,781	175,000	106,398	281,398	1.50
1999	2,494,278	1,704,291	789,987	180,000	99,835	279,835	2.82
2000	2,526,320	1,749,893	776,427	185,000	92,815	277,815	2.79
2001	2,678,013	1,992,229	685,784	195,000	85,415	280,415	2.45
2002	2,906,583	2,039,687	866,896	205,000	77,323	282,323	3.07
2003	2,875,559	2,406,215	469,344	210,000	68,405	278,405	1.69

Source: Chillicothe City Auditor

(1) Gross revenue includes operating revenue and interest income.

TABLE 15

FUND CASH SUMMARY REPORT LAST TEN FISCAL YEARS

The information presented in the following table for each individual fund is strictly on the cash basis. Various funds reflected in this report are treated as individual funds for cash basis accounting (internally) however, for different reasons have been adjusted/combined into other funds for financial reporting on the budget and GAAP basis. Therefore, the amounts reflected in this report will not necessarily agree nor are they intended to agree with the various other statements or schedules contained in this comprehensive annual financial report.

Source: Chillicothe City Auditor

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BAL-GENERAL FUND	\$1,446,508	\$1,810,374	\$2,122,965	\$1,345,229	\$1,601,735
TOTAL REVENUE	\$12,224,582	\$13,474,252	\$13,430,671	\$13,443,456	\$14,628,482
EXPENSES					
POLICE	2,908,376	3,152,311	3,373,095	3,237,519	3,506,078
FIRE	2,497,927	2,549,076	2,763,312	2,641,944	2,787,036
CIVIL DEFENSE	5,000	6,350	6,350	6,350	6,350
HUMANE OFFICER	8,470	8,601	9,181	8,335	13,259
CROSSING GUARDS	102,000	105,516	106,825	107,192	97,802
SWIMMING POOL	76,501	97,447	102,807	112,847	102,633
PLANNING	149	138	137	142	129
DESIGN AND REVIEW	232	9	47	82	24
REFUSE COLLECTION	404,656	331,967	345,106	384,502	490,024
REFUSE DISPOSAL	348,037	335,252	400,258	361,947	340,137
STREETS & SIDEWALKS	186,631	195,208	344,118	185,915	187,793
MAYOR	364,678	409,855	434,382	419,747	444,907
MAYOR SPECIAL PROGRAMS	12,534	34,117	10,749	8,530	25,060
ECONOMIC DEVELOPMENT	19,525	24,545	29,331	25,202	18,072
CITY COUNCIL	103,544	114,262	116,179	112,322	121,539
TREASURER	43,578	46,968	48,356	52,766	51,074
INCOME TAX	122,298	131,642	133,058	190,200	141,746
PUBLIC LANDS & BLDGS	153,788	144,214	151,956	171,457	233,544
LAW DIRECTOR	276,943	281,264	294,177	320,673	338,826
AUDITOR	303,916	331,833	344,110	389,689	352,391
MUNICIPAL COURT	828,795	957,411	988,252	1,057,556	1,095,544
CIVIL SERVICE	43,766	52,948	57,011	61,047	57,241
SERVICE ADMINISTRATION	123,518	127,072	126,988	139,679	137,473
SERVICE MECHANIC	60,809	39,076	41,843	39,254	48,568
ENGINEERING	460,169	429,041	431,104	440,914	432,986
RCI	10,373	7,196	7,731	7,926	9,466
CODE ENFORCEMENT	7,947	9,916	9,449	10,425	17,815
GENERAL FUND TRANSFERS	1,463,784	1,590,014	2,032,255	2,129,945	1,693,637
MISCELLANEOUS	486,899	637,075	492,328	534,547	646,919
SAFETY LEVY OTHER	0	152,184	0	0	0
SAFETY LEVY CAPITAL	337,435	531,035	331,766	0	0
LANDFILL CLOSURE	74,656	137,022	24,115	0	0
POLICE-DARE PROGRAM	7,433	0	0	0	0
MUNICIPAL COURT-BLDG FUND	0	0	0	0	0
MUNICIPAL COURT-COMPUTERS	16,347	191,096	102,637	28,297	112,818
TOTAL EXPENSES	11,860,716	13,161,662	13,659,014	13,186,951	13,510,893
GENERAL FUND BALANCE	\$1,810,374	\$2,122,965	\$1,894,622	\$1,601,735	\$2,719,324

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 1

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BAL-GENERAL FUND	\$2,719,324	\$3,180,954	\$3,145,839	\$3,301,563	\$2,198,210
TOTAL REVENUE	\$14,937,975	\$15,536,481	\$15,652,519	\$15,078,599	\$15,953,400
EXPENSES					
POLICE	3,524,319	3,889,302	3,976,939	4,177,283	4,467,467
FIRE	3,142,210	3,669,934	3,750,956	3,916,318	4,149,315
CIVIL DEFENSE	6,350	6,350	6,350	6,350	6,350
HUMANE OFFICER	8,416	8,446	8,613	8,638	8,489
CROSSING GUARDS	66,752	67,665	62,335	62,624	60,293
SWIMMING POOL	106,366	112,096	98,344	108,882	127,696
PLANNING	47	233	239	387	28
DESIGN AND REVIEW	2	12	0	5	381
REFUSE COLLECTION	631,922	616,872	601,456	585,445	566,009
REFUSE DISPOSAL	327,805	360,412	355,426	342,514	345,540
STREETS & SIDEWALKS	187,070	192,383	184,293	168,919	195,993
MAYOR	447,564	439,743	475,671	495,021	499,822
MAYOR SPECIAL PROGRAMS	23,663	26,750	28,884	28,236	30,841
ECONOMIC DEVELOPMENT	15,799	11,797	11,021	16,402	14,962
CITY COUNCIL	124,907	128,493	143,771	172,061	186,200
TREASURER	53,990	55,879	62,358	66,039	71,108
INCOME TAX	148,143	142,355	154,141	164,447	245,151
PUBLIC LANDS & BLDGS	207,425	157,898	226,502	196,500	184,716
LAW DIRECTOR	360,300	366,592	420,162	465,827	570,853
AUDITOR	368,883	386,202	406,090	431,977	471,342
MUNICIPAL COURT	1,171,271	1,235,190	1,329,027	1,409,561	1,519,935
CIVIL SERVICE	63,349	69,266	72,337	70,065	80,272
SERVICE ADMINISTRATION	163,669	179,385	193,774	174,339	165,027
SERVICE MECHANIC	44,307	44,580	47,498	49,792	58,005
ENGINEERING	456,001	519,879	594,663	601,822	643,263
RCI	9,237	12,306	10,630	10,361	9,456
CODE ENFORCEMENT	18,430	12,329	11,491	16,474	24,271
GENERAL FUND TRANSFERS	1,915,000	2,020,000	1,499,581	1,636,875	1,360,136
MISCELLANEOUS	698,831	584,354	615,946	669,999	764,822
SAFETY LEVY OTHER	0	0	0	0	0
SAFETY LEVY CAPITAL	0	0	0	0	0
LANDFILL CLOSURE	0	0	0	0	0
POLICE-DARE PROGRAM	0	0	0	0	0
MUNICIPAL COURT-BLDG FUND	798	133,089	8,500	0	12,877
MUNICIPAL COURT-COMPUTERS	183,519	121,806	139,797	128,787	148,302
TOTAL EXPENSES	14,476,344	15,571,596	15,496,795	16,181,950	16,988,922
GENERAL FUND BALANCE	\$3,180,954	\$3,145,839	\$3,301,563	\$2,198,212	\$1,162,688

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BAL-POLICE DARE PROGRAM	\$0	\$0	\$0	\$14	\$14
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
POLICE-DARE BALANCE	\$0	\$0	\$0	\$14	\$14
BROUGHT FORWARD					
BAL-STREET CONSTRUCTION	\$202,284	\$130,346	\$123,380	\$215,860	\$272,237
TOTAL REVENUE	1,274,634	1,213,493	1,582,997	1,281,113	1,162,119
EXPENSES					
ST CONST-MAINTENANCE	1,273,671	1,164,361	1,386,402	1,181,994	1,144,838
ST CONST-SNOW REMOVAL	53,375	25,478	81,545	19,217	22,204
ST CONST-SIGNS & PAINT	19,525	19,621	22,569	23,524	77,264
ST CONST-TRANSFERS	0	11,000	0	0	0
TOTAL EXPENSES	1,346,571	1,220,460	1,490,516	1,224,736	1,244,306
STREET CONST BALANCE	\$130,346	\$123,380	\$215,860	\$272,237	\$190,050
BROUGHT FORWARD					
BAL-STATE HIGHWAY	\$93,407	\$13,382	\$24,791	\$14,848	\$31,544
TOTAL REVENUE	58,909	133,923	162,529	140,984	106,826
EXPENSES					
ST HIGH-SNOW REMOVAL	23,911	0	0	0	0
ST HIGH-SIGNS & PAINT	115,024	122,513	123,472	124,287	129,472
ST HIGH-TRANSFERS	0	0	49,000	0	0
TOTAL EXPENSES	138,934	122,513	172,472	124,287	129,472
STATE HIGHWAY BALANCE	\$13,382	\$24,791	\$14,848	\$31,544	\$8,898
BROUGHT FORWARD					
BALANCE-PARKS	\$17,910	\$21,236	\$36,128	\$10,152	\$44,627
TOTAL REVENUE	197,787	226,319	211,141	263,970	216,411
TOTAL EXPENSES	194,461	211,427	237,117	229,495	251,106
PARKS BALANCE	\$21,236	\$36,128	\$10,152	\$44,627	\$9,932

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BAL-POLICE DARE PROGRAM	\$14	\$14	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	14	0	0	0
<hr/>					
POLICE-DARE BALANCE	\$14	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-STREET CONSTRUCTION	\$190,050	\$727,949	\$386,546	\$250,543	\$168,294
TOTAL REVENUE	1,515,679	1,543,215	1,114,044	1,277,462	1,243,339
EXPENSES					
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ST CONST-MAINTENANCE	922,820	1,824,178	1,186,534	1,298,764	1,182,115
ST CONST-SNOW REMOVAL	23,455	21,212	23,171	24,566	36,072
ST CONST-SIGNS & PAINT	31,506	39,228	40,342	36,381	43,168
ST CONST-TRANSFERS	0	0	0	0	0
<hr/>					
TOTAL EXPENSES	977,780	1,884,618	1,250,047	1,359,711	1,261,355
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STREET CONST BALANCE	\$727,949	\$386,546	\$250,543	\$168,294	\$150,278
BROUGHT FORWARD					
BAL-STATE HIGHWAY	\$8,898	\$20,218	\$21,970	\$20,716	\$11,517
TOTAL REVENUE	153,465	143,531	144,086	153,173	165,813
EXPENSES					
<hr/>					
ST HIGH-SNOW REMOVAL	0	0	0	0	0
ST HIGH-SIGNS & PAINT	142,145	141,779	145,339	162,373	164,473
ST HIGH-TRANSFERS	0	0	0	0	0
<hr/>					
TOTAL EXPENSES	142,145	141,779	145,339	162,373	164,473
<hr/>					
STATE HIGHWAY BALANCE	\$20,218	\$21,970	\$20,716	\$11,516	\$12,857
BROUGHT FORWARD					
BALANCE-PARKS	\$9,932	\$38,351	\$53,600	\$62,860	\$28,951
TOTAL REVENUE	289,971	281,378	267,998	255,300	296,434
TOTAL EXPENSES	261,552	266,128	258,739	289,209	322,582
<hr/>					
PARKS BALANCE	\$38,351	\$53,600	\$62,860	\$28,951	\$2,803

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BALANCE-RECREATION	\$61,411	\$126,923	\$142,804	\$41,357	\$99,602
TOTAL REVENUE	333,190	297,251	156,748	341,156	207,654
TOTAL EXPENSES	267,678	281,370	258,195	282,911	297,299
RECREATION BALANCE	\$126,923	\$142,804	\$41,357	\$99,602	\$9,956
BROUGHT FORWARD					
BALANCE-HUD	\$3,703	\$41,648	\$52,642	\$21,150	\$112,808
TOTAL REVENUE	\$990,861	\$634,709	\$690,147	\$609,436	\$313,809
TOTAL EXPENSES	\$952,917	\$623,714	\$721,640	\$517,777	\$332,654
HUD BALANCE	\$41,648	\$52,642	\$21,150	\$112,808	\$93,963
BROUGHT FORWARD					
BALANCE GRANTS	\$0	\$0	\$0	\$0	\$20,563
TOTAL REVENUE	0	0	0	50,563	48,046
TOTAL EXPENSES	0	0	0	30,000	50,563
GRANTS BALANCE	\$0	\$0	\$0	\$20,563	\$18,046
BROUGHT FORWARD					
BALANCE-FLOODWALL	\$54,795	\$95,148	\$118,027	\$95,851	\$98,764
TOTAL REVENUE	50,000	35,000	40,752	10,000	18,500
TOTAL EXPENSES	9,647	12,121	62,928	7,086	18,945
FLOODWALL BALANCE	\$95,148	\$118,027	\$95,851	\$98,764	\$98,320
BROUGHT FORWARD					
BALANCE-STREET RESTORATION	\$3,722	\$4,378	\$6,606	\$6,135	\$6,735
TOTAL REVENUE	2,126	6,993	2,175	940	1,373
TOTAL EXPENSES	1,470	4,765	2,646	340	1,161
STREET RESTOR BALANCE	\$4,378	\$6,606	\$6,135	\$6,735	\$6,946

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-RECREATION	\$9,956	\$50,519	\$39,903	\$43,293	\$65,359
TOTAL REVENUE	362,574	332,313	377,926	403,714	393,326
TOTAL EXPENSES	322,011	342,930	374,536	381,648	427,994
RECREATION BALANCE	\$50,519	\$39,903	\$43,293	\$65,359	\$30,691
BROUGHT FORWARD					
BALANCE-HUD	\$93,963	\$69,016	\$78,802	\$50,347	\$392,677
TOTAL REVENUE	\$202,385	\$519,704	\$373,052	\$833,621	\$306,734
TOTAL EXPENSES	\$227,332	\$509,918	\$401,507	\$491,291	\$677,445
HUD BALANCE	\$69,016	\$78,802	\$50,347	\$392,677	\$21,966
BROUGHT FORWARD					
BALANCE STATE GRANT	\$18,046	\$30,585	\$34,940	\$25,393	\$29,523
TOTAL REVENUE	92,079	75,527	46,767	46,345	176,480
TOTAL EXPENSES	79,540	71,172	56,313	42,215	170,077
STATE GRANT BALANCE	\$30,585	\$34,940	\$25,393	\$29,523	\$35,926
BROUGHT FORWARD					
BALANCE-FLOODWALL	\$98,320	\$102,891	\$127,078	\$109,371	\$114,898
TOTAL REVENUE	16,000	40,000	40,000	40,000	0
TOTAL EXPENSES	11,429	15,813	57,707	34,472	10,310
FLOODWALL BALANCE	\$102,891	\$127,078	\$109,371	\$114,899	\$104,588
BROUGHT FORWARD					
BALANCE-STREET RESTORATION	\$6,946	\$6,946	\$6,886	\$6,886	\$6,886
TOTAL REVENUE	0	250	0	0	0
TOTAL EXPENSES	0	310	0	0	0
STREET RESTOR BALANCE	\$6,946	\$6,886	\$6,886	\$6,886	\$6,886

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 1 5

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BALANCE-FEMA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	17,131	5,491
TOTAL EXPENSES	0	0	0	17,131	5,491
FEMA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BALANCE-CABLEVISION	\$4,920	\$4,733	\$1,203	\$873	\$543
TOTAL REVENUE	0	580	0	1,200	1,500
TOTAL EXPENSES	187	4,110	330	1,530	180
CABLEVISION BALANCE	\$4,733	\$1,203	\$873	\$543	\$1,863
BROUGHT FORWARD					
BALANCE-FIRE HAZARD	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
FIRE HAZARD BALANCE	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
BROUGHT FORWARD					
BAL-LITTER	\$75,390	\$12,567	\$27,627	\$42,498	\$34,123
TOTAL REVENUE	179,026	241,559	223,940	215,451	63,525
EXPENSES					
LITTER	52,832	52,331	46,323	45,436	10,255
LITTER T SHIRT	172	7	0	0	0
LITTER KAB	0	0	0	0	0
RECYCLES PROGRAM	188,845	174,161	162,747	178,389	87,393
TOTAL EXPENSES	241,849	226,499	209,070	223,826	97,648
LITTER BALANCE	\$12,567	\$27,627	\$42,498	\$34,123	\$0

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
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TABLE 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-FEMA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
FEMA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BALANCE-CABLEVISION	\$1,863	\$5,765	\$5,765	\$5,765	\$5,765
TOTAL REVENUE	4,818	0	0	0	0
TOTAL EXPENSES	916	0	0	0	0
CABLEVISION BALANCE	\$5,765	\$5,765	\$5,765	\$5,765	\$5,765
BROUGHT FORWARD					
BALANCE-FIRE HAZARD	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	1,000
FIRE HAZARD BALANCE	\$1,000	\$1,000	\$1,000	\$1,000	\$0
BROUGHT FORWARD					
BAL-LITTER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
EXPENSES					
LITTER	0	0	0	0	0
LITTER T SHIRT	0	0	0	0	0
LITTER KAB	0	0	0	0	0
RECYCLES PROGRAM	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
LITTER BALANCE	\$0	\$0	\$0	\$0	\$0

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BALANCE-UNALL INCOME TAX	\$329,440	\$429,434	\$332,285	\$522,706	\$412,727
TOTAL REVENUE	429,434	284,851	490,420	400,021	952,794
TOTAL EXPENSES	329,440	382,000	300,000	510,000	400,000
UNALL INCOME TAX BALANCE	\$429,434	\$332,285	\$522,706	\$412,727	\$965,521
BROUGHT FORWARD					
BALANCE-INCOME TAX REF	\$52,416	\$18,228	\$25,566	\$9,715	\$15,038
TOTAL REVENUE	150,000	150,000	160,000	255,000	250,000
TOTAL EXPENSES	184,188	142,661	175,851	249,676	232,983
INCOME TAX REF BALANCE	\$18,228	\$25,566	\$9,715	\$15,038	\$32,055
BROUGHT FORWARD					
BAL-LAW ENFORCE TRUST FUND	\$447	\$6,199	\$9,668	\$1,647	\$0
TOTAL REVENUE	9,524	5,097	70	513	2,082
TOTAL EXPENSES	3,772	1,628	8,091	2,160	0
LAW ENFORCE TRUST FUND BALANCE	\$6,199	\$9,668	\$1,647	\$0	\$2,082
BROUGHT FORWARD					
BAL-INDIG DRIV ALCOHOL TREAT	\$22,307	\$34,493	\$41,406	\$43,775	\$48,510
TOTAL REVENUE	21,481	20,933	20,369	17,236	16,589
TOTAL EXPENSES	9,294	14,021	18,000	12,500	12,000
INDIG DRIV ALCOHOL TREAT BALANCE	\$34,493	\$41,406	\$43,775	\$48,510	\$53,099
BROUGHT FORWARD					
BAL-OMVI EDUCA/ENFORCE	\$8,461	\$11,410	\$13,702	\$10,158	\$11,625
TOTAL REVENUE	2,949	2,292	2,220	4,382	3,677
TOTAL EXPENSES	0	0	5,764	2,915	3,314
OMVI EDUCA/ENFORCE BALANCE	\$11,410	\$13,702	\$10,158	\$11,625	\$11,989

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-UNALL INCOME TAX	\$965,521	\$608,212	\$158,212	\$158,212	\$385,856
TOTAL REVENUE	542,691	0	0	227,644	0
TOTAL EXPENSES	900,000	450,000	0	0	185,000
UNALL INCOME TAX BALANCE	\$608,212	\$158,212	\$158,212	\$385,856	\$200,856
BROUGHT FORWARD					
BALANCE-INCOME TAX REF	\$32,055	\$40,316	\$15,368	\$20,865	\$3,830
TOTAL REVENUE	250,000	250,000	300,000	345,000	350,000
TOTAL EXPENSES	241,739	274,948	294,503	362,035	342,658
INCOME TAX REF BALANCE	\$40,316	\$15,368	\$20,865	\$3,830	\$11,172
BROUGHT FORWARD					
BAL-LAW ENFORCE TRUST FUND	\$2,082	\$5,945	\$8,476	\$42,597	\$41,660
TOTAL REVENUE	3,862	13,215	39,456	74	14,915
TOTAL EXPENSES	0	10,684	5,335	1,011	6,869
LAW ENFORCE TRUST FUND BALANCE	\$5,945	\$8,476	\$42,597	\$41,660	\$49,706
BROUGHT FORWARD					
BAL-INDIG DRIV ALCOHOL TREAT	\$53,099	\$66,911	\$83,619	\$95,794	\$113,410
TOTAL REVENUE	18,313	19,708	19,795	19,116	16,371
TOTAL EXPENSES	4,500	3,000	7,620	1,500	0
INDIG DRIV ALCOHOL TREAT BALANCE	\$66,911	\$83,619	\$95,794	\$113,410	\$129,781
BROUGHT FORWARD					
BAL-OMVI EDUCA/ENFORCE	\$11,989	\$17,468	\$21,040	\$20,184	\$21,674
TOTAL REVENUE	5,479	3,572	4,144	3,990	3,364
TOTAL EXPENSES	0	0	5,000	2,500	2,500
OMVI EDUCA/ENFORCE BALANCE	\$17,468	\$21,040	\$20,184	\$21,674	\$22,538

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BAL-MANDATORY DRUG FINES	\$2,800	\$4,861	\$7,167	\$9,047	\$12,197
TOTAL REVENUE	2,061	2,306	1,880	3,151	2,965
TOTAL EXPENSES	0	0	0	0	429
MANDATORY DRUG FINES BALANCE	\$4,861	\$7,167	\$9,047	\$12,197	\$14,733
BROUGHT FORWARD					
BAL-TRAFFIC CONT-ON STREET	\$35,821	\$19,906	\$11,607	\$22,316	\$15,969
TOTAL REVENUE	115,527	125,485	147,470	134,041	142,412
EXPENSES					
TR CONT-ON ST-SIGNALS	94,384	99,696	103,217	105,785	107,531
TR CONT-ON ST-METERS	37,058	34,089	33,543	34,604	36,216
TR CONT-ON ST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	131,442	133,785	136,761	140,389	143,746
TRAFFIC CONT-ON ST-BALANCE	\$19,906	\$11,607	\$22,316	\$15,969	\$14,635
BROUGHT FORWARD					
BAL-TRAFFIC CONT-OFF STREET	\$9,101	\$6,055	\$11,337	\$3	\$3,156
TOTAL REVENUE	5,955	5,282	3,666	3,153	2,140
TOTAL EXPENSES	9,000	0	15,000	0	0
TRAFFIC CONT-OFF-BALANCE	\$6,055	\$11,337	\$3	\$3,156	\$5,297
BROUGHT FORWARD					
BALANCE-PARKING FACILITY	\$5,364	\$15,013	\$18,361	\$3,619	\$6,118
TOTAL REVENUE	9,649	3,347	2,258	2,499	1,580
TOTAL EXPENSES	0	0	17,000	0	0
PARKING FACILITY BALANCE	\$15,013	\$18,361	\$3,619	\$6,118	\$7,698

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BAL-MANDATORY DRUG FINES	\$14,733	\$19,862	\$23,001	\$26,986	\$31,363
TOTAL REVENUE	5,129	3,833	3,985	4,687	2,765
TOTAL EXPENSES	0	694	0	310	0
MANDATORY DRUG FINES BALANCE	\$19,862	\$23,001	\$26,986	\$31,363	\$34,128
BROUGHT FORWARD					
BAL-TRAFFIC CONT-ON STREET	\$14,635	\$30,265	\$90,374	\$81,425	\$67,633
TOTAL REVENUE	176,076	225,675	207,354	185,196	200,939
EXPENSES					
TR CONT-ON ST-SIGNALS	122,763	122,811	154,199	153,650	143,489
TR CONT-ON ST-METERS	37,681	42,755	62,104	45,339	78,316
TR CONT-ON ST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	160,445	165,566	216,302	198,989	221,805
TRAFFIC CONT-ON ST-BALANCE	\$30,265	\$90,374	\$81,425	\$67,632	\$46,767
BROUGHT FORWARD					
BAL-TRAFFIC CONT-OFF STREET	\$5,297	\$8,248	\$10,263	\$5,386	\$8,623
TOTAL REVENUE	2,951	2,015	5,123	8,237	10,790
TOTAL EXPENSES	0	0	10,000	5,000	10,000
TRAFFIC CONT-OFF-BALANCE	\$8,248	\$10,263	\$5,386	\$8,623	\$9,413
BROUGHT FORWARD					
BALANCE-PARKING FACILITY	\$7,698	\$9,470	\$10,631	\$4,448	\$6,485
TOTAL REVENUE	1,772	1,160	3,817	6,038	6,330
TOTAL EXPENSES	0	0	10,000	4,000	10,000
PARKING FACILITY BALANCE	\$9,470	\$10,631	\$4,448	\$6,486	\$2,815

CITY OF CHILLICOTHE
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TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BALANCE-BUS	\$684,781	\$558,128	\$468,915	\$410,314	\$143,234
TOTAL REVENUE	1,147,791	1,237,896	1,140,041	1,119,488	1,347,341
TOTAL EXPENSES	1,274,444	1,327,109	1,198,642	1,386,568	1,282,159
BUS BALANCE	\$558,128	\$468,915	\$410,314	\$143,234	\$208,416
BROUGHT FORWARD					
BAL-POLICE PENSION FUND	\$13,176	\$6,387	\$3,048	\$28,023	\$1,248
TOTAL REVENUE	337,322	364,025	412,309	367,179	421,585
TOTAL EXPENSES	344,111	367,365	387,334	393,953	421,760
POLICE PENSION FUND BAL	\$6,387	\$3,048	\$28,023	\$1,248	\$1,073
BROUGHT FORWARD					
BAL-FIRE PENSION FUND	\$1,274	\$6,658	\$9,149	\$10,581	\$3,224
TOTAL REVENUE	424,341	405,225	458,865	437,565	483,716
TOTAL EXPENSES	418,957	402,734	457,432	444,923	476,307
FIRE PENSION FUND BALANCE	\$6,658	\$9,149	\$10,581	\$3,224	\$10,632
BROUGHT FORWARD					
BAL-DEBT SERVICE RESERVE	\$34,442	\$23,723	\$34,725	\$45,540	\$57,403
TOTAL REVENUE	440,034	468,799	464,183	582,890	575,581
TOTAL EXPENSES	450,753	457,798	453,368	571,028	563,180
DEBT SERVICE RESERVE BAL	\$23,723	\$34,725	\$45,540	\$57,403	\$69,804
BROUGHT FORWARD					
BAL-CAPITAL IMPROVEMENT	\$53,057	\$53,057	\$53,057	\$53,057	\$1
TOTAL REVENUE	0	0	0	1,944	277,894
TOTAL EXPENSES	0	0	0	55,000	0
CAPITAL IMPROVEMENT BAL	\$53,057	\$53,057	\$53,057	\$1	\$277,895

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-BUS	\$208,416	\$386,713	\$629,404	\$851,866	\$901,417
TOTAL REVENUE	1,308,639	1,411,508	1,481,456	1,478,736	1,563,913
TOTAL EXPENSES	1,130,343	1,168,817	1,258,994	1,429,186	1,707,235
BUS BALANCE	\$386,713	\$629,404	\$851,866	\$901,416	\$758,095
BROUGHT FORWARD					
BAL-POLICE PENSION FUND	\$1,073	\$637	\$1,706	\$27,741	\$10,754
TOTAL REVENUE	562,571	452,399	484,397	460,986	490,386
TOTAL EXPENSES	563,007	451,330	458,362	477,973	490,331
POLICE PENSION FUND BALANCE	\$637	\$1,706	\$27,741	\$10,754	\$10,809
BROUGHT FORWARD					
BAL-FIRE PENSION FUND	\$10,632	\$489	\$15,996	\$36,617	\$25,175
TOTAL REVENUE	926,976	582,399	584,397	610,986	613,625
TOTAL EXPENSES	937,119	566,892	563,776	622,428	627,991
FIRE PENSION FUND BALANCE	\$489	\$15,996	\$36,617	\$25,175	\$10,809
BROUGHT FORWARD					
BAL-DEBT SERVICE RESERVE	\$69,804	\$77,990	\$91,512	\$99,625	\$104,195
TOTAL REVENUE	582,216	620,876	507,307	496,948	2,601,572
TOTAL EXPENSES	574,030	607,354	499,194	492,379	2,548,722
DEBT SERVICE RESERVE BALANCE	\$77,990	\$91,512	\$99,625	\$104,194	\$157,045
BROUGHT FORWARD					
BAL-CAPITAL IMPROVEMENT	\$277,895	\$277,895	\$277,895	\$100,000	\$100,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	177,895	0	68,000
CAPITAL IMPROVEMENT BALANCE	\$277,895	\$277,895	\$100,000	\$100,000	\$32,000

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 1 5

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BAL-ISSUE II	\$0	\$0	\$46,451	\$9,539	\$0
TOTAL REVENUE	0	596,912	198,140	0	0
TOTAL EXPENSES	0	550,461	235,051	9,539	0
ISSUE II BALANCE	\$0	\$46,451	\$9,539	\$0	\$0
BROUGHT FORWARD					
BAL-CAP PROJECT-ST IMP	\$0	\$0	\$1,796,970	\$1	\$1
TOTAL REVENUE	0	2,000,000	283,607	0	0
TOTAL EXPENSES	0	203,030	2,080,576	0	1
CAP PROJECT-ST IMP BALANCE	\$0	\$1,796,970	\$1	\$1	\$0
BROUGHT FORWARD					
BAL-SAFETY LEVY CAPITAL	\$0	\$0	\$0	\$549,379	\$623,703
TOTAL REVENUE	0	0	0	518,114	541,952
TOTAL EXPENSES	0	0	0	443,790	901,230
SAFETY LEVY CAPITAL BALANCE	\$0	\$0	\$0	\$623,703	\$264,425
BROUGHT FORWARD					
BAL-LANDFILL CLOSURE	\$0	\$0	\$0	\$0	\$165,765
TOTAL REVENUE	0	0	0	405,001	0
TOTAL EXPENSES	0	0	0	239,236	128,518
LANDFILL CLOSURE BALANCE	\$0	\$0	\$0	\$165,765	\$37,247
BROUGHT FORWARD					
BAL-PARKS/REC CAPITAL	\$18,211	\$70,749	\$14,769	\$28,958	\$8,116
TOTAL REVENUE	116,636	159,353	431,499	184,886	454,904
TOTAL EXPENSES	64,097	215,333	417,310	205,728	275,545
PARKS/REC CAPITAL BALANCE	\$70,749	\$14,769	\$28,958	\$8,116	\$187,476

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	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BAL-ISSUE II	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	127,227	0	0	0	0
TOTAL EXPENSES	127,227	0	0	0	0
ISSUE II BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-CAP PROJECT-ST IMP	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
CAP PROJECT-ST IMP BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-SAFETY LEVY CAPITAL	\$264,425	\$176,597	\$297,075	\$392,914	\$395,792
TOTAL REVENUE	578,109	576,471	598,357	601,196	586,771
TOTAL EXPENSES	665,937	455,993	502,518	598,317	536,948
SAFETY LEVY CAPITAL BALANCE	\$176,597	\$297,075	\$392,914	\$395,793	\$445,615
BROUGHT FORWARD					
BAL-LANDFILL CLOSURE	\$37,247	\$90,453	\$151,760	\$176,696	\$125,832
TOTAL REVENUE	125,000	125,000	75,000	0	0
TOTAL EXPENSES	71,794	63,694	50,064	50,864	41,743
LANDFILL CLOSURE BALANCE	\$90,453	\$151,760	\$176,696	\$125,832	\$84,089
BROUGHT FORWARD					
BAL-PARKS/REC CAPITAL	\$187,476	\$132,240	\$152,923	\$81,642	\$49,216
TOTAL REVENUE	128,388	314,284	164,389	161,029	107,481
TOTAL EXPENSES	183,624	293,601	235,670	193,455	122,259
PARKS/REC CAPITAL BALANCE	\$132,240	\$152,923	\$81,642	\$49,216	\$34,438

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
<hr/>					
BROUGHT FORWARD					
BALANCE-STREETScape	\$18,198	\$6,009	\$10,108	\$12,364	\$12,521
TOTAL REVENUE	119474	123894	122440	120579	113721
TOTAL EXPENSES	131664	119794	120184	120422	118482
<hr/>					
STREETScape BALANCE	\$6,009	\$10,108	\$12,364	\$12,521	\$7,760
BROUGHT FORWARD					
BALANCE-WATER FUND	\$1,350,135	\$1,470,869	\$1,734,338	\$2,290,443	\$2,678,610
TOTAL REVENUE	3,414,308	3,640,340	3,806,032	3,873,211	3,761,458
<hr/>					
EXPENSES					
WATER ADMINISTRATION	560,584	598,388	658,567	940,095	1,005,161
WATER SUPPLY & TREATMENT	1,031,416	873,783	862,735	938,238	962,188
WATER DISTRIBUTION	405,343	586,441	420,203	453,557	570,863
WATER TRANSFERS	1,296,231	1,318,259	1,308,421	1,153,155	1,343,974
<hr/>					
TOTAL EXPENSES	3,293,574	3,376,871	3,249,926	3,485,045	3,882,186
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WATER BALANCE	\$1,470,869	\$1,734,338	\$2,290,443	\$2,678,610	\$2,557,882
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #1	\$572,714	\$425,227	\$78,370	\$78,370	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	147,487	346,856	0	78,370	0
<hr/>					
WATER CONST PROJ #1 BAL	\$425,227	\$78,370	\$78,370	\$0	\$0
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #2	\$151,843	\$128,209	\$199,584	\$0	\$0
TOTAL REVENUE	88,797	97,216	7,575	0	0
TOTAL EXPENSES	112,431	25,841	207,158	0	0
<hr/>					
WATER CONST PROJ #2 BAL	\$128,209	\$199,584	\$0	\$0	\$0

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-STREETScape	\$7,760	\$5,780	\$22,392	\$40,427	\$50,053
TOTAL REVENUE	119496	145456	25106	16128	7500
TOTAL EXPENSES	121476	128844	7071	6502	7358
<hr/>					
STREETScape BALANCE	\$5,780	\$22,392	\$40,427	\$50,053	\$50,195
BROUGHT FORWARD					
BALANCE-WATER FUND	\$2,557,882	\$2,478,855	\$2,671,889	\$2,041,848	\$2,237,161
TOTAL REVENUE	3,727,124	3,765,426	3,944,083	4,289,829	4,168,751
EXPENSES					
<hr/>					
WATER ADMINISTRATION	805,455	745,428	702,196	735,950	726,651
WATER SUPPLY & TREATMENT	1,088,831	947,142	1,201,064	1,137,498	1,117,821
WATER DISTRIBUTION	601,806	558,837	1,012,091	713,481	852,760
WATER TRANSFERS	1,310,059	1,320,986	1,658,772	1,507,587	1,600,000
<hr/>					
TOTAL EXPENSES	3,806,151	3,572,393	4,574,123	4,094,516	4,297,232
<hr/>					
WATER BALANCE	\$2,478,855	\$2,671,889	\$2,041,848	\$2,237,161	\$2,108,680
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #1	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER CONST PROJ #1 BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #2	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER CONST PROJ #2 BALANCE	\$0	\$0	\$0	\$0	\$0

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	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #3	\$91,775	\$79,091	\$0	\$0	\$0
TOTAL REVENUE	56,000	0	0	0	0
TOTAL EXPENSES	68,684	79,091	0	0	0
<hr/>					
WATER CONST PROJ #3 BAL	\$79,091	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #4	\$63,577	\$0	\$0	\$0	\$0
TOTAL REVENUE	340	0	0	0	0
TOTAL EXPENSES	63,917	0	0	0	0
<hr/>					
WATER CONST PROJ #4 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-WATER TOWER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER TOWER BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-WATER DEBT SERVICE #4	\$1,405,527	\$1,402,704	\$1,404,925	\$1,532,952	\$1,394,125
TOTAL REVENUE	39,036	65,393	186,458	(104,454)	52,610
TOTAL EXPENSES	41,859	63,172	58,432	34,373	55,706
<hr/>					
WATER DEBT SERVICE #4 BAL	\$1,402,704	\$1,404,925	\$1,532,952	\$1,394,125	\$1,391,029
BROUGHT FORWARD					
BAL-WATER BOND FUND #4	\$118,444	\$145,883	\$159,929	\$154,372	\$138,389
TOTAL REVENUE	1,417,852	1,405,158	1,386,831	1,375,037	1,421,437
TOTAL EXPENSES	1,390,413	1,391,113	1,392,388	1,391,020	1,392,158
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WATER BOND FUND #4 BAL	\$145,883	\$159,929	\$154,372	\$138,389	\$167,669

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #3	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER CONST PROJ #3 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-WATER CONST PROJECT #4	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER CONST PROJ #4 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-WATER TOWER	\$0	\$0	\$0	\$102,310	\$38,866
TOTAL REVENUE	0	0	130,300	0	1,501,140
TOTAL EXPENSES	0	0	27,990	63,444	341,562
<hr/>					
WATER TOWER BALANCE	\$0	\$0	\$102,310	\$38,866	\$1,198,444
BROUGHT FORWARD					
BAL-WATER DEBT SERVICE #4	\$1,391,029	\$1,394,125	\$1,427,068	\$1,401,005	\$1,396,038
TOTAL REVENUE	49,195	61,065	40,345	5,301	(114,516)
TOTAL EXPENSES	46,099	28,122	66,408	10,267	31,824
<hr/>					
WATER DEBT SERVICE #4 BAL	\$1,394,125	\$1,427,068	\$1,401,005	\$1,396,039	\$1,249,698
BROUGHT FORWARD					
BAL-WATER BOND FUND #4	\$167,669	\$146,925	\$127,063	\$164,353	\$115,789
TOTAL REVENUE	1,374,010	1,373,983	1,431,005	1,342,956	12,539,171
TOTAL EXPENSES	1,394,754	1,393,845	1,393,715	1,391,520	13,055,930
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WATER BOND FUND #4 BAL	\$146,925	\$127,063	\$164,353	\$115,789	(\$400,970)

CITY OF CHILLICOTHE
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	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BAL-WATER R&I FUND	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER R&I FUND BALANCE	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060	\$1,317,060
BROUGHT FORWARD					
BAL-WATER SYSTEM RESERVE	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER SYSTEM RESERVE BAL	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL REVENUE WATER FUNDS	5,016,332	5,208,106	5,386,896	5,143,795	5,235,506
TOTAL EXPENSES WATER FUNDS	5,118,364	5,282,944	4,907,904	4,988,808	5,330,050
BALANCE ALL WATER FUNDS	\$5,469,044	\$5,394,206	\$5,873,197	\$6,028,184	\$5,933,640
BROUGHT FORWARD					
BAL-RT 104 WATER/SEWER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	500,005
TOTAL EXPENSES	0	0	0	0	1,207
RT 104 WATER/SEWER BALANCE	\$0	\$0	\$0	\$0	\$498,798
BROUGHT FORWARD					
BALANCE-SEWER FUND	\$1,464,182	\$1,035,928	\$1,033,758	\$1,212,000	\$1,232,626
TOTAL REVENUE	2,296,006	2,295,179	2,345,831	2,416,143	2,475,459
EXPENSES					
SEWER ADMINISTRATION	660,959	590,109	636,527	756,705	770,607
SEWER SUPPLY & TREATMENT	1,289,938	1,063,925	884,895	1,032,762	990,543
SEWER COLLECTION	392,464	282,486	275,286	246,429	344,964
SEWER TRANSFERS	380,898	360,829	370,882	359,620	359,348
TOTAL EXPENSES	2,724,260	2,297,349	2,167,590	2,395,516	2,465,462
SEWER BALANCE	\$1,035,928	\$1,033,758	\$1,212,000	\$1,232,626	\$1,242,623

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
<hr/>					
BROUGHT FORWARD					
BAL-WATER R&I FUND	\$1,317,060	\$1,317,060	\$1,317,060	\$1,493,862	\$1,670,664
TOTAL REVENUE	0	0	176,802	176,802	29,336
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER R&I FUND BALANCE	\$1,317,060	\$1,317,060	\$1,493,862	\$1,670,664	\$1,700,000
BROUGHT FORWARD					
BAL-WATER SYSTEM RESERVE	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
TOTAL REVENUE	0	0	0	0	603,000
TOTAL EXPENSES	0	0	0	0	0
<hr/>					
WATER SYSTEM RESERVE BAL	\$500,000	\$500,000	\$500,000	\$500,000	\$1,103,000
TOTAL REVENUE WATER FUNDS	5,150,329	5,200,474	5,722,534	5,814,888	18,726,882
TOTAL EXPENSES WATER FUNDS	5,247,004	4,994,360	6,062,236	5,559,747	17,726,548
<hr/>					
BALANCE ALL WATER FUNDS	\$5,836,965	\$6,043,079	\$5,703,377	\$5,958,519	\$6,958,852
BROUGHT FORWARD					
BAL-RT 104 WATER/SEWER	\$498,798	\$474,043	\$365,179	\$338,893	\$321,518
TOTAL REVENUE	500,020	500,030	500,040	500,055	626,173
TOTAL EXPENSES	524,775	608,894	526,326	517,431	679,194
<hr/>					
RT 104 WATER/SEWER BALANCE	\$474,043	\$365,179	\$338,893	\$321,517	\$268,497
BROUGHT FORWARD					
BALANCE-SEWER FUND	\$1,242,623	\$1,390,531	\$1,491,106	\$1,583,190	\$1,738,109
TOTAL REVENUE	3,168,076	2,955,959	2,921,903	2,928,667	2,891,407
<hr/>					
EXPENSES					
SEWER ADMINISTRATION	1,521,103	1,219,626	984,751	792,755	553,541
SEWER SUPPLY & TREATMENT	931,682	946,320	1,131,344	1,163,682	1,166,677
SEWER COLLECTION	279,341	335,009	355,462	449,738	497,887
SEWER TRANSFERS	288,043	354,429	358,262	367,573	1,325,353
<hr/>					
TOTAL EXPENSES	3,020,169	2,855,384	2,829,819	2,773,748	3,543,458
<hr/>					
SEWER BALANCE	\$1,390,531	\$1,491,106	\$1,583,190	\$1,738,109	\$1,086,058

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BALANCE-SEWER DEBT SERVICE	\$300,685	\$283,809	\$283,947	\$284,841	\$290,627
TOTAL REVENUE	8,223	13,251	11,552	11,624	32,272
TOTAL EXPENSES	25,099	13,113	10,658	5,838	11,303
SEWER DEBT SERVICE BALANCE	\$283,809	\$283,947	\$284,841	\$290,627	\$311,596
BROUGHT FORWARD					
BALANCE-SEWER PROJECT #1	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
SEWER PROJECT #1 BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BALANCE-SEWER BOND FUND	\$36,060	\$24,241	\$24,336	\$31,304	\$23,231
TOTAL REVENUE	3,165,083	283,010	289,843	274,275	262,740
TOTAL EXPENSES	3,176,902	282,915	282,875	282,348	281,398
SEWER BOND FUND BALANCE	\$24,241	\$24,336	\$31,304	\$23,231	\$4,573
BROUGHT FORWARD					
BALANCE-SEWER R&I FUND	\$311,271	\$371,271	\$431,271	\$491,271	\$551,271
TOTAL REVENUE	60,000	60,000	60,000	60,000	67,195
TOTAL EXPENSES	0	0	0	0	0
SEWER R&I FUND BALANCE	\$371,271	\$431,271	\$491,271	\$551,271	\$618,466
BROUGHT FORWARD					
BAL-SEWER SYSTEM RESERVE	\$621,706	\$519,834	\$463,897	\$408,036	\$352,174
TOTAL REVENUE	36,160	36,160	36,160	36,160	24,827
TOTAL EXPENSES	138,032	92,097	92,021	92,021	92,021
SEWER SYSTEM RESERVE BAL	\$519,834	\$463,897	\$408,036	\$352,174	\$284,980

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-SEWER DEBT SERVICE	\$311,596	\$282,915	\$289,600	\$284,311	\$282,963
TOTAL REVENUE	9,355	12,392	8,187	1,076	282
TOTAL EXPENSES	38,036	5,707	13,476	2,423	165
SEWER DEBT SERVICE BALANCE	\$282,915	\$289,600	\$284,311	\$282,964	\$283,080
BROUGHT FORWARD					
BALANCE-SEWER PROJECT #1	\$0	\$0	\$2,987,207	\$1,788,511	\$1,314,759
TOTAL REVENUE	0	3,004,125	3,000,000	4,145,561	3,156,059
TOTAL EXPENSES	0	16,918	4,198,696	4,619,312	3,150,396
SEWER PROJECT #1 BALANCE	\$0	\$2,987,207	\$1,788,511	\$1,314,760	\$1,320,422
BROUGHT FORWARD					
BALANCE-SEWER BOND FUND	\$4,573	\$30,045	\$25,856	\$27,916	\$23,985
TOTAL REVENUE	305,307	273,626	282,475	278,392	277,644
TOTAL EXPENSES	279,835	277,815	280,415	282,323	278,405
SEWER BOND FUND BALANCE	\$30,045	\$25,856	\$27,916	\$23,985	\$23,224
BROUGHT FORWARD					
BALANCE-SEWER R&I FUND	\$618,466	\$618,466	\$618,466	\$618,466	\$618,466
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
SEWER R&I FUND BALANCE	\$618,466	\$618,466	\$618,466	\$618,466	\$618,466
BROUGHT FORWARD					
BAL-SEWER SYSTEM RESERVE	\$284,980	\$217,785	\$217,786	\$217,786	\$217,787
TOTAL REVENUE	24,827	92,022	92,022	92,022	48,000
TOTAL EXPENSES	92,021	92,021	92,021	92,021	46,011
SEWER SYSTEM RESERVE BAL	\$217,785	\$217,786	\$217,786	\$217,786	\$219,776

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 1 5

	1994	1995	1996	1997	1998
TOTAL REVENUE SEWER FUNDS	\$5,565,472	\$2,687,601	\$2,743,386	\$2,798,201	\$2,862,492
TOTAL EXPENSES SEWER FUNDS	6,064,293	2,685,474	2,553,144	2,775,724	2,850,184
BALANCE ALL SEWER FUNDS	\$2,235,083	\$2,237,210	\$2,427,451	\$2,449,929	\$2,462,237
BROUGHT FORWARD					
BALANCE-OWDA	\$341	\$341	\$341	\$341	\$341
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
OWDA BALANCE	\$341	\$341	\$341	\$341	\$341
BROUGHT FORWARD					
BALANCE-PATTON PARK	\$973	\$973	\$973	\$973	\$973
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
PATTON PARK BALANCE	\$973	\$973	\$973	\$973	\$973
BROUGHT FORWARD					
BALANCE-UNCLAIMED MONIES	\$88,369	\$97,105	\$54,049	\$41,798	\$41,208
TOTAL REVENUE	8,766	12,240	7,548	13,669	18,106
TOTAL EXPENSES	29	55,296	19,799	14,259	9,417
UNCLAIMED MONIES BALANCE	\$97,105	\$54,049	\$41,798	\$41,208	\$49,897
BROUGHT FORWARD					
BALANCE-CARLISLE HILL TRUST	\$2,417	\$2,477	\$2,537	\$2,597	\$2,657
TOTAL REVENUE	60	60	60	60	60
TOTAL EXPENSES	0	0	0	0	0
CARLISLE HILL TRUST BALANC	\$2,477	\$2,537	\$2,597	\$2,657	\$2,717

CITY OF CHILLICOTHE
 FUND CASH SUMMARY REPORT
 LAST TEN FISCAL YEARS

TABLE 15

	1999	2000	2001	2002	2003
TOTAL REVENUE SEWER FUNDS	\$3,507,565	\$6,338,124	\$6,304,587	\$7,445,718	\$6,373,392
TOTAL EXPENSES SEWER FUNDS	3,430,061	3,247,845	7,414,428	7,769,827	7,018,435
BALANCE ALL SEWER FUNDS	\$2,539,741	\$5,630,021	\$4,520,179	\$4,196,070	\$3,551,026
BROUGHT FORWARD					
BALANCE-OWDA	\$341	\$341	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	341	0	0	0
OWDA BALANCE	\$341	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BALANCE-PATTON PARK	\$973	\$973	\$973	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	973	0	0
PATTON PARK BALANCE	\$973	\$973	\$0	\$0	\$0
BROUGHT FORWARD					
BALANCE-UNCLAIMED MONIES	\$49,897	\$51,710	\$58,308	\$54,266	\$56,917
TOTAL REVENUE	14,424	15,017	9,061	20,407	18,456
TOTAL EXPENSES	12,612	8,419	13,103	17,756	13,979
UNCLAIMED MONIES BALANCE	\$51,710	\$58,308	\$54,266	\$56,917	\$61,394
BROUGHT FORWARD					
BALANCE-CARLISLE HILL TRUST	\$2,717	\$2,777	\$2,837	\$2,887	\$2,927
TOTAL REVENUE	60	60	50	40	40
TOTAL EXPENSES	0	0	0	0	0
CARLISLE HILL TRUST BALANCE	\$2,777	\$2,837	\$2,887	\$2,927	\$2,967

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1994	1995	1996	1997	1998
BROUGHT FORWARD					
BALANCE-SUB DIVISION INSP	\$12,008	\$2,750	\$2,750	\$7,026	\$13,976
TOTAL REVENUE	2,750	0	4,276	6,950	10,575
TOTAL EXPENSES	12,008	0	0	0	0
<hr/>					
SUB DIV INSPECTION BALANCE	\$2,750	\$2,750	\$7,026	\$13,976	\$24,551
BROUGHT FORWARD					
BALANCE-BARRICADE DEPOSIT	\$480	\$480	\$480	\$480	\$480
TOTAL REVENUE	90	0	0	0	0
TOTAL EXPENSES	90	0	0	0	0
<hr/>					
BARRICADE DEPOSIT BALANCE	\$480	\$480	\$480	\$480	\$480
BROUGHT FORWARD					
BALANCE-SECURITY DEPOSIT	\$480	\$1,080	\$2,080	\$1,980	\$2,580
TOTAL REVENUE	2,000	1,000	600	2,000	2,300
TOTAL EXPENSES	1,400	0	700	1,400	1,400
<hr/>					
SECURITY DEPOSIT BALANCE	\$1,080	\$2,080	\$1,980	\$2,580	\$3,480
BROUGHT FORWARD					
BALANCE-STATE BLDG PERMIT	\$288	\$98	\$139	\$156	\$279
TOTAL REVENUE	1,058	2,551	1,911	1,290	1,564
TOTAL EXPENSES	1,248	2,510	1,894	1,167	1,236
<hr/>					
STATE BLDG PERMIT BALANCE	\$98	\$139	\$156	\$279	\$607
BROUGHT FORWARD					
BALANCE-POSTAGE ROTARY	\$0	\$4,832	\$3,754	\$5,652	\$3,934
TOTAL REVENUE	27,923	28,568	38,571	37,668	41,048
TOTAL EXPENSES	23,091	29,646	36,673	39,387	41,141
<hr/>					
POSTAGE ROTARY BALANCE	\$4,832	\$3,754	\$5,652	\$3,934	\$3,840

C I T Y O F C H I L L I C O T H E
F U N D C A S H S U M M A R Y R E P O R T
L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
BROUGHT FORWARD					
BALANCE-SUB DIVISION INSP	\$24,551	\$24,551	\$34,840	\$1,371	\$8,360
TOTAL REVENUE	0	10,289	1,531	6,989	845
TOTAL EXPENSES	0	0	35,000	0	0
SUB DIV INSPECTION BALANCE	\$24,551	\$34,840	\$1,371	\$8,360	\$9,205
BROUGHT FORWARD					
BALANCE-BARRICADE DEPOSIT	\$480	\$480	\$480	\$480	\$480
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
BARRICADE DEPOSIT BALANCE	\$480	\$480	\$480	\$480	\$480
BROUGHT FORWARD					
BALANCE-SECURITY DEPOSIT	\$3,480	\$4,080	\$4,680	\$5,280	\$5,580
TOTAL REVENUE	2,000	1,300	2,000	1,000	0
TOTAL EXPENSES	1,400	700	1,400	700	0
SECURITY DEPOSIT BALANCE	\$4,080	\$4,680	\$5,280	\$5,580	\$5,580
BROUGHT FORWARD					
BALANCE-STATE BLDG PERMIT	\$607	\$254	\$318	\$197	\$552
TOTAL REVENUE	1,497	1,912	1,963	2,444	2,874
TOTAL EXPENSES	1,851	1,848	2,085	2,088	2,860
STATE BLDG PERMIT BALANCE	\$254	\$318	\$197	\$553	\$566
BROUGHT FORWARD					
BALANCE-POSTAGE ROTARY	\$3,840	\$4,373	\$2,726	\$3,292	\$2,733
TOTAL REVENUE	41,744	40,658	45,735	49,248	60,839
TOTAL EXPENSES	41,210	42,306	45,169	49,807	55,415
POSTAGE ROTARY BALANCE	\$4,373	\$2,726	\$3,292	\$2,733	\$8,157

C I T Y O F C H I L L I C O T H E
 F U N D C A S H S U M M A R Y R E P O R T
 L A S T T E N F I S C A L Y E A R S

T A B L E 1 5

	1994	1995	1996	1997	1998
TOTAL REVENUE COLLECTED	29,267,744	30,159,901	29,023,783	28,936,676	31,036,326
TOTAL EXPENSES	29,586,113	28,242,229	30,360,406	28,454,641	29,134,009
BALANCE FOR ALL FUNDS	\$11,346,310	\$13,263,982	\$11,927,359	\$12,409,394	\$14,311,712

C I T Y O F C H I L L I C O T H E
 F U N D C A S H S U M M A R Y R E P O R T
 L A S T T E N F I S C A L Y E A R S

T A B L E 15

	1999	2000	2001	2002	2003
TOTAL REVENUE COLLECTED	32,257,478	35,327,836	35,107,976	36,554,994	50,921,749
TOTAL EXPENSES	31,439,201	32,350,408	36,444,006	37,306,674	52,450,008
BALANCE FOR ALL FUNDS	\$15,129,989	\$18,107,417	\$16,771,386	\$16,019,705	\$14,491,443

CITY OF CHILLICOTHE
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2003

Table 16

DATE INCORPORATED	1796
FORM OF GOVERNMENT	Council/Mayor
AREA (SQUARE MILES)	10.95 square miles
MILES OF STREETS, ALLEYS	96.5 miles
NUMBER OF CITY EMPLOYEES	312

DEPARTMENT	FULL TIME	PART TIME	TOTAL
Auditor	8	0	8
Civil Service	1	0	1
City Council	10	1	11
Engineering	13	0	13
Fire	48	0	48
Humane Officer	0	1	1
Income Tax	4	0	4
Law Director	8	2	10
Mayor	7	0	7
Municipal Court	24	4	28
Parks	6	0	6
Police	55	0	55
Recreation	4	3	7
School Crossing	0	17	17
Service	28	0	28
Sewage	25	1	26
Traffic Control	1	0	1
Transit	18	4	22
Treasurer	1	1	2
Water	17	0	17
Total	278	34	312

CITY FLEET (Licensed On-Road):

Fire	16
Police	21
Refuse	9
Other	73

FIRE PROTECTION:

Number of Fire Stations	3
Number of Firefighters & Officers	47

POLICE PROTECTION:

Number of Police Stations	1
Number of Police Officers	49

MUNICIPAL WATER DIVISION:

Number of Customer Accounts	9,216 accounts
Average Daily Pumpage (Mil.Gals./Day)	3.117 mil (7.0 mil. gals./day capacity)
Miles of Water Mains	100 miles

MUNICIPAL SEWER DIVISION:

Number of Customer Accounts	8,700 accounts
Miles of Sanitary/Storm Sewer Lines	101 miles

continued

RECREATION & TRAVEL:

Municipal Parks	12
Playgrounds	4
Recreation/Fitness Centers	4
Golf Courses	1 - Private 1 - Public
Swimming Facilities	4
Tennis Courts	4
Motels	7
Bed & Breakfasts	5

CULTURAL:

Libraries	
Public Libraries	2
In Circulation Volumes	133,697
In Circulation Audio Visual	11,309
Ohio University Chillicothe Library	54,173 Volumes 507 Audio Visual
Museums	5
Theatre Groups	1

COMMUNICATIONS:

T.V. Station	1 - WWHO Channel 53
Cable T.V. Station	2
Radio Stations - F.M.	2 - WFCB, WKKJ
Radio Stations - A.M.	2 - WBEX, WCHI
Newspapers (Daily)	1 - Circulation Daily 17,000
Weekly Shopper	2 - Circulation-Ross County 28,000 weekly
Magazine	1 - Circulation - Quarterly 15,000

SCHOOL SYSTEM

CHILLICOTHE CITY SCHOOL SYSTEM

High Schools	1
Intermediate	2
Elementary	6
Student Population	3,397
Teacher Population	243
Student/Teacher Ratio	13.96:1
Southern Hills Academy	Grades 1-8 (student population 95, includes 42

PAROCHIAL SCHOOLS

Bishop Flaget	Grades 1-8
Student Population	208 (includes 13 preschoolers)
Landmark Christian Academy	Grades 1-12 (student population 43)

HIGHER EDUCATION

Ohio University Chillicothe Regional Campus	1
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Source: Chillicothe City Auditor

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**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

CITY OF CHILLICOTHE

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 17, 2004**