



**Mary Taylor, CPA**  
Auditor of State



**CITY OF CHILLICOTHE  
ROSS COUNTY**

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**CITY OF CHILLICOTHE  
ROSS COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant State's Program	A-F-07-104-1	14.228	92,307
Community Development Block Grant State's Program	A-F-08-104-1	14.228	1,649
Community Development Block Grant State's Program	A-F-06-104-1	14.228	<u>2,500</u>
Total Community Development Block Grant State's Program			<u>96,455</u>
HOME Investment Partnership Program	A-C-06-104-1	14.239	55,000
HOME Investment Partnership Program	A-C-06-104-2	14.239	<u>152,786</u>
Total HOME Investment Partnership Program			<u>207,786</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<b><u>304,241</u></b>
 <b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct:</i>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	N/A	16.590	123,794
<i>Passed Through Ohio Office of the Attorney General</i>			
Crime Victim's Assistance	VAGENE539	16.575	<u>34,475</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b><u>158,269</u></b>
 <b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	RPT-0071-014-952	20.509	<u>976,639</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b><u>976,639</u></b>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 1,439,149</u></b>

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

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS**

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

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require 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.



# Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the City's management in a separate letter dated May 1, 2009.

### **Compliance and Other Matters**

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

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

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

**Mary Taylor, CPA**  
Auditor of State

May 1, 2009





# Mary Taylor, CPA

Auditor of State

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

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 apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008. In a separate letter to the City's management dated May 1, 2009, we reported another matter related to federal noncompliance not requiring inclusion in this report.

### Internal Control Over Compliance

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

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

#### **Federal Awards Expenditures Schedule**

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, as of and for the year ended December 31, 2008, and have issued our report thereon dated May 1, 2009. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Mary Taylor, CPA**  
Auditor of State

May 1, 2009

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

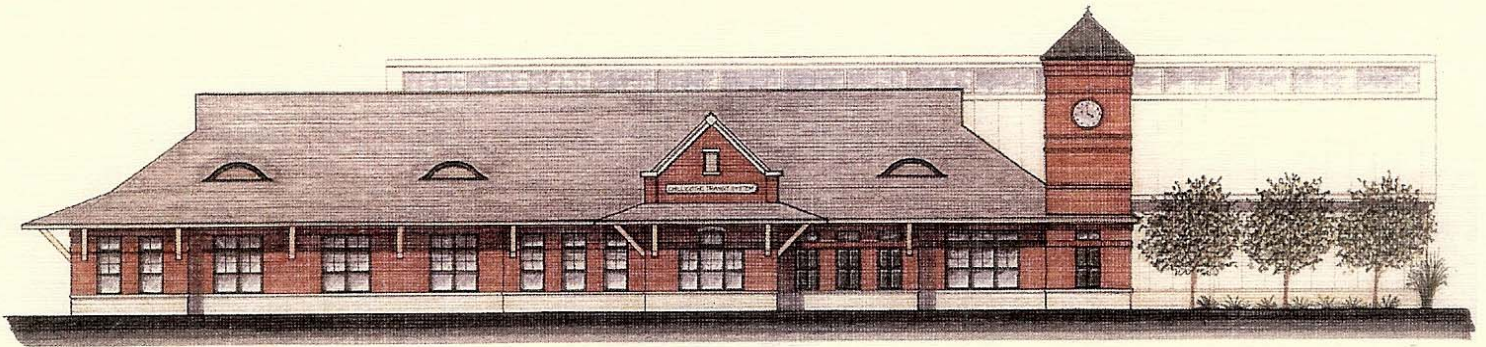
None



# The City of Chillicothe, Ohio



## COMPREHENSIVE ANNUAL FINANCIAL REPORT



**CHILICOTHE TRANSIT FACILITY 2010**



**William D. Morrissey, City Auditor  
for the year ended December 31, 2008**

# **City of Chillicothe, Ohio Comprehensive Annual Financial Report**

**William D. Morrissey**

**Chillicothe City Auditor**



**For the Year Ended December 31, 2008**

**Prepared by the Office of the City of Chillicothe Auditor**

CITY OF CHILLICOTHE, OHIO

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

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CITY OF CHILLICOTHE, OHIO

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# CITY OF CHILLICOTHE — Ohio's First Capital

WILLIAM D. MORRISSEY, City Auditor



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

TELEPHONE (740) 775-3955  
FAX (740) 773-4535

May 1, 2009

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, 2008. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2008. 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.

### **State Audit**

The 2008 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 11.07 square miles and has approximately 21,796 citizens according to the latest census. The City has 12 public parks consisting of 225 acres, six public schools, one 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, which is conducted by the City Auditor's Office whenever monies are available to invest in Treasury Notes and Money Market Funds.

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

The Law Director is elected to four year terms and serves as legal counsel to 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 employs 277 people, both full-time and permanent part-time, to serve the citizens of Chillicothe in the various departments described as follows: Public Safety (Police, Fire and School Patrol), Recreation (Parks and Recreation), Utilities (Water, Sewer, 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 continues to be challenging to predict as our national economy deteriorates monthly.

In 2008 Glatfelter's Chillicothe Operations experienced a solid performance. Key drivers leading to the positive outcomes included the aggressive management of the cost structure; strong operating performance with our paper manufacturing equipment; record safety performance by Glatfelter P.E.O.P.L.E.; and the continued focus on new product development.

Volumes shipped from the Chillicothe facility were essentially flat and consisted of a less favorable mix of products sold due to declines in the carbonless and book publishing paper products. However, higher average selling prices contributed to positive results.

In 2009 and beyond, the Chillicothe facility will continue to make the tough business decisions that may have an impact to the employee base to ensure the long term viability of the mill as a whole.

Kenworth had a difficult year in 2008 as production dropped approximately 19% at the Chillicothe plant. Although Kenworth once again grew market share in 2008, the industry retailed only 140,000 units compared to 280,000 at peak levels in 2006. In 2008, Kenworth was rewarded with a sweep of JD Power product awards, and was recognized for its work with hybrid class 6 and 7 trucks. The Chillicothe plant set new quality and productivity records, and now builds the vast majority of trucks that bear the Kenworth name.

In 2009, the Chillicothe plant will celebrate its 35<sup>th</sup> anniversary since opening in 1974. The plant has assembled more than 320,000 class 8 trucks in its 35 years. A sluggish economy and tight financial markets are the hurdles for 2009. Freight is slow and owners that want to buy are finding it difficult to arrange financing. The outlook for 2009 is flat in comparison to 2008, with a potential upturn late in the year. The stimulus package could provide some demand for construction vehicles; however, that is yet to be seen. Kenworth remains the highest value truck on the road today, and is well positioned to take advantage of any improvement in the economy.

Horizon Telcom had a reasonable year in 2008. Their employment dropped by a handful of positions over the course of the year due to attrition. Their net income was consistent with recent years.

Horizon Telcom lost a significant number of residential telephone lines due to competitive pressures, customers choosing wireless over wireline phones and the economy. Business lines have done better, but are still affected by the economy. HorizonView (their video service) was relatively flat during the course of the year. Data services continued to grow, but at a slower pace. Their bundled services (voice, video and data bundled together) seem to have much lower "churn" than individual services.

Horizon Telcom has begun to add customers to their fiber optic network in the surrounding counties in Southern Ohio. They completed the build-out necessary to offer fiber to the home services in and around the Village of Darbyville and launched service there in November.

In 2008, Adena Health System continued to expand the services it provides to its ten county region. The system welcomes 16 new physicians in a number of specialties including cardiology, dermatology, family practice, neurosurgery, oncology, orthopaedics and pulmonology. In addition, a number of accreditations and recognitions were presented to Adena during the year, most notably the HealthGrades 5-Star Ratings for Adena Regional Medical Center for the treatment of heart failure, COPD, pneumonia, respiratory failure and hip fracture repair surgery, in addition to patient safety. The System also offered new services including advanced stroke care, digital mammography, high risk pre-natal, minimally invasive hysterectomy, and external counterpulsation for angina and heart failure patients.

On the construction side, in March of 2008, the Adena System broke ground on its \$45.5 million Northeast Expansion that will feature the Adena Women's and Children's Center in addition to two new nursing units designed for a variety of acuity levels. In September 2008, the System was pleased to open the PACCAR Medical Education Center, which was designed to provide outstanding nursing education collaboratively with Wright State University, Ohio University-Chillicothe, and other partner institutions. In addition to Bachelor of Science in Nursing classes, the Center features the David Meade Massie Virtual Hospital, surgical labs, technologically advanced classrooms, and a spacious auditorium. Thanks to overwhelming support from the community, government and businesses, over \$5 million was raised in Adena's first ever capital campaign, surpassing the goal that was set.

The unemployment rate in Ross County at the end of 2008 was 9.4% as compared with 7.8% for the State.

City income tax revenue for 2008 was \$10,718,814, which was an increase of \$245,361 or 2.34%. County sales taxes were \$10,999,023, a decrease of \$222,060 or 1.98%. The residential housing market has slowed down as it reflects the national trend with prices being reduced in most sales. The population of Ross County is currently estimated at 75,398.

In 2008, \$190,237 was collected in hotel-motel taxes. This was a decrease of \$7,387 or 3.7%.

### **Major Initiatives**

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

- ▶ HUD grants totaling \$304,241 were utilized in areas such as fair housing, and rental and private rehabilitation.
- ▶ The City's capital improvements included:  
Various departments spent \$48,856 on computer hardware and software; the Police Department purchased 3 radar units for \$6,595, 30 body armor units costing \$20,180 which were paid for with grant money; and 5 patrol cars at a cost of \$113,867; Parks bought a 4X4 pickup truck for \$24,375; Wastewater added a GMC truck for \$21,099 and replaced equipment totaling \$32,082; the Water Department added an F250 pickup truck for \$25,000, replaced a phone system for \$9,940, bought a GMC truck for \$17,941, replaced a John Deere Skidster that had been stolen for \$22,000, purchased a \$36,345 tapping machine, bought \$21,537 worth of trench boxes, and spent \$15,600 for fencing; Traffic Control purchased a used vehicle for \$10,115 for parking enforcement; and Transit added two buses for \$136,086.
- ▶ The Mayor signed a 5 year contract with Redflex Traffic Systems for photo enforcement of speed and traffic signals.
- ▶ \$85,729 was appropriated to settle an employee grievance.
- ▶ Money was appropriated to install live hanging flower baskets in the downtown area.
- ▶ The parking lot on the corner of 4<sup>th</sup> and Paint Streets was completely restored at a cost of \$74,000.
- ▶ A 2008 Ford pickup truck valued at \$29,223 was donated to the Fire Department by the Ross County Emergency Management group.
- ▶ The City received a \$550,000 grant from the State of Ohio, \$1,710,000 from the Federal Government, and borrowed \$1,400,000 in notes to complete the necessary financing for the \$4,500,000 Transit Facility. Construction was started in late 2008.
- ▶ A Jobs Tax Credit program was authorized to enhance economic development opportunities.

- ▶ The City did \$206,230 in street and alley improvements.
- ▶ Building permits totaled \$127,646 in 2008 for \$16,967,414 in new construction and major rehab work.
- ▶ The local contractor registration ordinance that was passed in 1996 resulted in registering more than 344 contractors and fee revenue of \$18,000.
- ▶ The C.I.C. completed a 50,000 square foot spec building funded by a state grant for \$500,000 and a \$500,000 zero interest loan for seven years. This building is located in the Route 104 Industrial Park.
- ▶ \$48,270 was received from Ross County Jobs and Family Services to help open and operate the swimming pool in 2008.
- ▶ The City continues to work with Ross County Jobs and Family Services to utilize their personnel in various areas. Ross County Jobs and Family Services continues to lend support to the City in many ways including their Rossgo Program. This program is a coordinated effort between Ross County Jobs and Family Services, Chillicothe Transit, MRDD and other public and private transporters to provide transportation throughout Ross County. Ross County Jobs and Family Services total contribution for 2008 was \$624,408.

### **Future Initiatives**

The year 2009 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:

- ▶ It is planned to widen Rt. 104 to four lanes from Route 35 north to the Route 207 connector highway at a cost of \$12 to \$13 million.
- ▶ A pedestrian bike bridge costing \$1,311,000 will be completed in 2009. The City issued a check for \$441,000 in 2008 as our share of this project based on Ohio Department of Transportation bids. A large percent of these dollars will be reclaimed thru grants.
- ▶ The addition of sewers for the Neenah Garden area is still in the planning stage.
- ▶ Plans are continuing to develop for the Herron property on Route 23 north, which is 800 acres and will include a full range of usage for jobs, retail and housing. It is planned to extend City sewer service to this site at a cost of \$250,000.
- ▶ Expansion of our park facilities will continue with the addition of a 40 acre soccer complex west of our City on land donated by Sunrush Enterprises.

### **Budgetary Controls**

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

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

The City maintains its budgetary control by not allowing expenditures/expenses plus encumbrances to exceed appropriations at the object level. All purchases by the City are processed through the computer system in two stages. A department first initiates a purchase by issuing a purchase requisition which is approved by the Purchasing Agent, the Mayor and then by the City Auditor. 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 and meet GAAP financial guidelines. It should be noted that the "reasonable assurance" concept recognizes that the cost of a control should not exceed the benefits likely to be derived therefrom and that it is the task of management to make that evaluation.

### **Cash Management**

The City Auditor is responsible for investing all the City's funds and accomplishes this by investing in certificates of deposit, money markets and Treasury Notes with our local banks. These certificates of deposit range in length from 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.

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 fully funded plan.

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

More detailed information about the insurance programs in force at December 31, 2008 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, 2007. 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, 2007. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### **Acknowledgment**

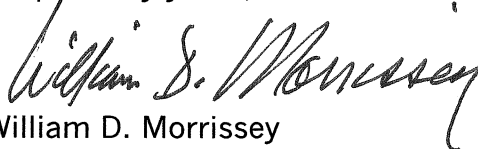
This Comprehensive Annual Financial Report for the City of Chillicothe is the eighteenth for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand 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, Mary Taylor's staff for their assistance and helpful service throughout the 24 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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R. T.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen", written in a cursive style.

Executive Director

CITY OF CHILLICOTHE, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2008

Prepared by Office of City Auditor

CITY OFFICIALS

MAYOR

Joseph P. Sulzer  
Term Expires 12-31-11

CITY COUNCIL

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

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

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

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

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

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

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

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

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

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

CITY AUDITOR

William D. Morrissey  
24 years of Service  
Term Expires 12-31-09

CITY TREASURER

David A. Neal  
Fourth Term Expires 12-31-09

DIRECTOR OF LAW

Toni Eddy  
Second Term Expires 12-31-11

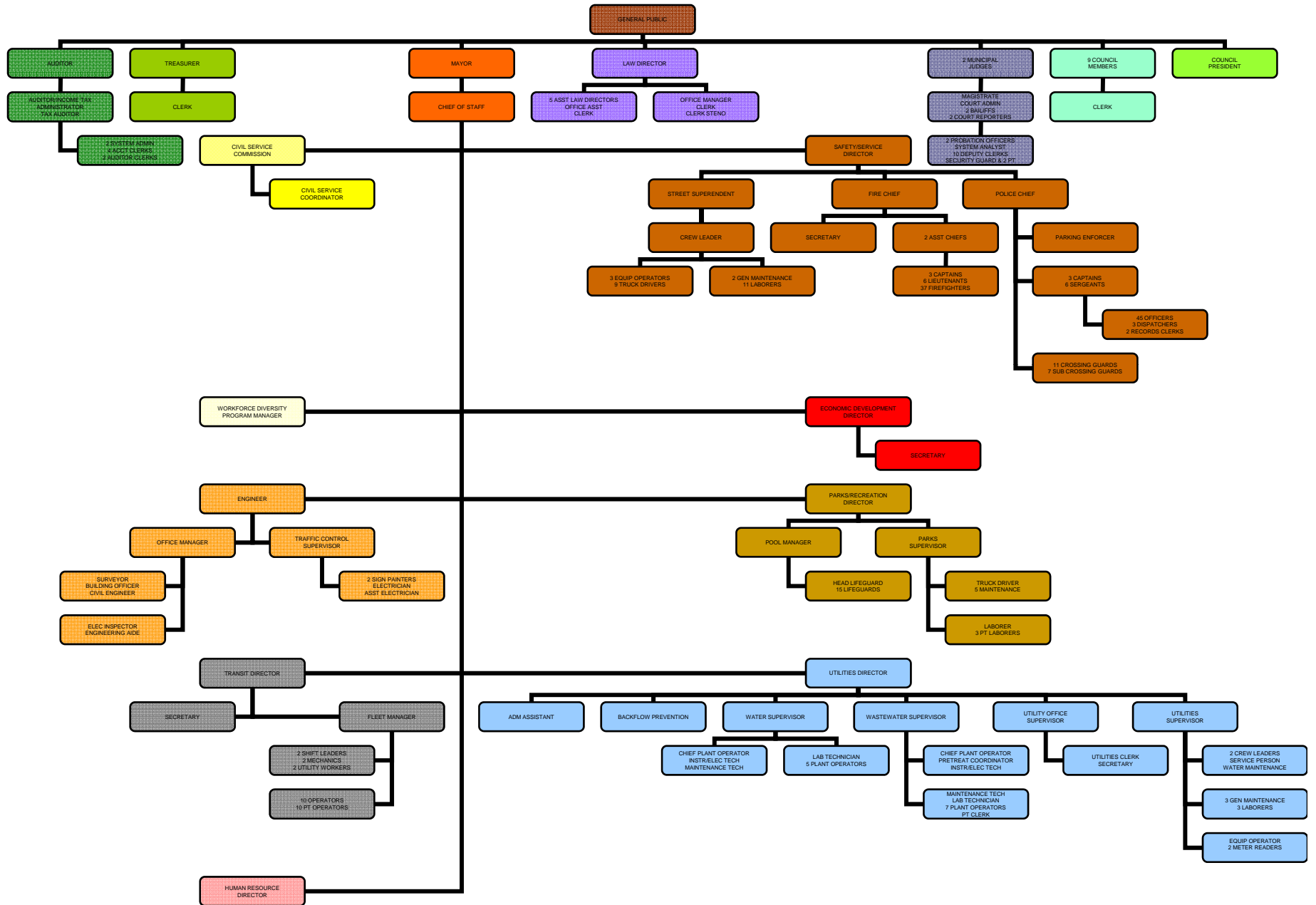
CITY OF CHILLICOTHE, OHIO

LISTING OF APPOINTED OFFICIALS

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

CITY OF CHILLICOTHE

ORGANIZATIONAL CHART



CITY OF CHILLICOTHE, OHIO  
2008 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	Heidi Leasure
AUDITOR'S CLERK	Hudson Ward
AUDITOR'S CLERK	Katherine Flechtner



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Ross County, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Ross County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Bus Transit, and Street Construction Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

**Mary Taylor, CPA**  
Auditor of State

May 1, 2009



## City of Chillicothe, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

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The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of its financial activities for the year ended December 31, 2008. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

### Financial Highlights

1. The City of Chillicothe's total net assets decreased \$103,286; net assets of the governmental activities decreased \$541,546; and net assets of the business-type activities increased \$438,260.
2. The General Fund balance of \$4,575,110 increased \$1,083,204 or 31.02% from the previous year's balance of \$3,491,906. This was a result of increased revenue in Local Taxes, Intergovernmental, and Transfers-In of income taxes.

### Overview of the Financial Statements

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

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

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

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

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

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

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

## City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

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

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

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

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

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

### Government-Wide Financial Analysis

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

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

## City of Chillicothe, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

### The City of Chillicothe as a Whole

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

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

	<b>Net Assets</b>					
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and Other Assets	\$14,780,199	\$11,222,852	\$10,097,630	\$10,963,196	\$24,877,829	\$22,186,048
Capital Assets, Net	<u>39,472,802</u>	<u>41,810,595</u>	<u>39,993,564</u>	<u>40,378,222</u>	<u>79,466,366</u>	<u>82,188,817</u>
<i>Total Assets</i>	<u>54,253,001</u>	<u>53,033,447</u>	<u>50,091,194</u>	<u>51,341,418</u>	<u>104,344,195</u>	<u>104,374,865</u>
<b>Liabilities</b>						
Current and Other Liabilities	5,857,891	3,442,103	291,601	643,174	6,149,492	4,085,277
Long-Term Liabilities:						
Due within One Year	1,555,935	1,269,250	1,384,680	1,605,494	2,940,615	2,874,744
Due in More Than One Year	<u>2,988,848</u>	<u>3,930,221</u>	<u>7,834,032</u>	<u>8,950,129</u>	<u>10,822,880</u>	<u>12,880,350</u>
<i>Total Liabilities</i>	<u>10,402,674</u>	<u>8,641,574</u>	<u>9,510,313</u>	<u>11,198,797</u>	<u>19,912,987</u>	<u>19,840,371</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	38,608,281	39,625,809	31,628,281	30,375,860	70,236,562	70,001,669
Restricted for:						
Debt Service	0	0	1,652,563	1,902,831	1,652,563	1,902,831
Capital Projects	1,007,274	749,643	1,818,467	1,818,467	2,825,741	2,568,110
Permanent Fund Purpose:						
Expendable	2,147	2,107	0	0	2,147	2,107
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Other Purposes	3,125,905	2,962,876	0	0	3,125,905	2,962,876
Unrestricted (Deficit)	<u>1,105,720</u>	<u>1,050,438</u>	<u>5,481,570</u>	<u>6,045,463</u>	<u>6,587,290</u>	<u>7,095,901</u>
<b>Total Net Assets</b>	<u>\$43,850,327</u>	<u>\$44,391,873</u>	<u>\$40,580,881</u>	<u>\$40,142,621</u>	<u>\$84,431,208</u>	<u>\$84,534,494</u>

Current and other assets of governmental activities increased by \$3,557,347 or 31.7% due mostly to increases in equity in pooled cash & cash equivalents, intergovernmental receivable, and material & supplies inventory. Capital assets and investments in capital assets, net of the related debt of the governmental activities decreased due to depreciation expenses exceeding current capital asset additions. Total liabilities of the governmental activities increased by \$1,761,100 or 20.38% due to an increase in notes payable.

Current and other assets of business-type activities decreased by \$865,566 or 7.90% due to a decrease in accounts receivable and cash and cash equivalents used to retire debt. Capital assets decreased by \$384,658 or 0.95% due to depreciation expense exceeding current capital asset additions.

## City of Chillicothe, Ohio

### Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

Total liabilities of business-type activities decreased by \$1,688,484 or 15.08% due to principal retirement of debt. Investment in capital assets, net of related debt increased \$1,252,421 or 4.12% due to principal retirement of debt.

The City of Chillicothe's total net assets decreased from \$84,534,494 in 2007 to \$84,431,208 in 2008, a change of \$103,286 or 0.12%.

This decrease in the City of Chillicothe's total net assets is the result of a decrease in the net assets of the governmental activities of \$541,546 or 1.22% and an increase in the net assets of the business-type activities of \$438,260 or 1.09%.

For the governmental activities, the City of Chillicothe is optimistic that the implementation of changes to the income tax filing process will enhance revenues, and it continues to review expenses for various cost containment measures in an effort to prevent any decrease in future net assets.

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 2008 and 2007.

### Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$4,249,683	\$3,942,793	\$7,594,154	\$7,944,660	\$11,843,837	\$11,887,453
Operating Grants and Contributions	3,005,587	3,380,757	0	0	3,005,587	3,380,757
Capital Grants and Contributions	111,044	200,230	0	0	111,044	200,230
General Revenues:						
Property Taxes	1,222,516	1,326,388	0	0	1,222,516	1,326,388
Income and Other Taxes	10,909,051	10,654,078	0	0	10,909,051	10,654,078
Grants and Entitlements	3,738,582	1,685,694	0	0	3,738,582	1,685,694
Other	980,583	1,076,037	142,634	361,281	1,123,217	1,437,318
<b>Total Revenues</b>	<b>24,217,046</b>	<b>22,265,977</b>	<b>7,736,788</b>	<b>8,305,941</b>	<b>31,953,834</b>	<b>30,571,918</b>
<b>Program Expenses</b>						
General Government	5,269,764	5,063,213	0	0	5,269,764	5,063,213
Security of Persons and Property:						
Police	5,406,935	5,693,551	0	0	5,406,935	5,693,551
Fire	5,206,800	4,567,222	0	0	5,206,800	4,567,222
Transportation	6,191,675	6,730,013	0	0	6,191,675	6,730,013
Community Environment	677,158	772,615	0	0	677,158	772,615
Basic Utility Services	934,806	1,064,347	0	0	934,806	1,064,347
Leisure Time Activities	927,550	1,089,656	0	0	927,550	1,089,656
Interest and Fiscal Charges	124,333	91,207	0	0	124,333	91,207
Water and Sewer	0	0	7,318,099	7,157,631	7,318,099	7,157,631
<b>Total Expenses</b>	<b>24,739,021</b>	<b>25,071,824</b>	<b>7,318,099</b>	<b>7,157,631</b>	<b>32,057,120</b>	<b>32,229,455</b>
Increase (Decrease) in Net Assets						
Before Transfers	(521,975)	(2,805,847)	418,689	1,148,310	(103,286)	(1,657,537)
Net Transfers In (Out)	(19,571)	(18,206)	19,571	18,206	0	0

# City of Chillicothe, Ohio

## Management's Discussion and Analysis

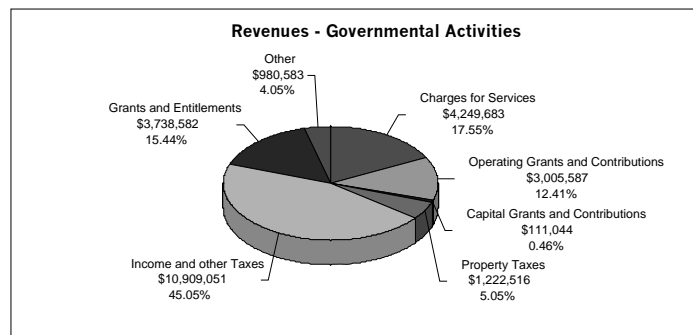
For the Year Ended December 31, 2008

Unaudited

Increase (Decrease) in Net Assets	(541,546)	(2,824,053)	438,260	1,166,516	(103,286)	(1,657,537)
Net Assets at Beginning of Year	<u>44,391,873</u>	<u>47,215,926</u>	<u>40,142,621</u>	<u>38,976,105</u>	<u>84,534,494</u>	<u>86,192,031</u>
Net Assets at End of Year	<u><u>\$43,850,327</u></u>	<u><u>\$44,391,873</u></u>	<u><u>\$40,580,881</u></u>	<u><u>\$40,142,621</u></u>	<u><u>\$84,431,208</u></u>	<u><u>\$84,534,494</u></u>

### Governmental Activities

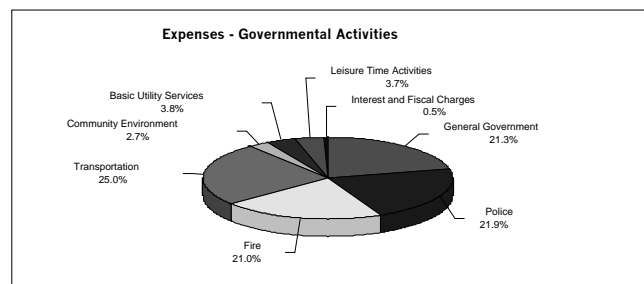
Governmental activities decreased the City of Chillicothe's net assets by \$541,546. The primary reason for the decrease in net assets relates to a 4.1% increase in expenses related to General Government and a 14% increase in Security of Persons and Property: Fire. The major cost factors involved in the decrease is Security of Persons and Property: Police, and Transportation. Revenues were relatively stable except for charges for services which increased 7.78%, operating grants and contributions which decreased 11.1%, and capital grants and contributions which decreased 44.54% for the year.



The income and other tax revenue for 2008 was \$10,909,051. Of the \$24,217,046 in total revenues, income and other tax accounts for 45.05% of that total. Charges for services of \$4,249,683 account for 17.55% of total revenues. Operating and capital grants and contributions account for 12.87% of the total and unrestricted grants and entitlements, property taxes, and other revenue make up the remaining 24.53%.

Operating grants and contributions decreased \$375,170 or 11.1% in 2008. This was mostly due to a decrease in intergovernmental revenue in the HUD funding of \$308,675. Capital grants and contributions decreased \$89,186 or 44.54% in 2008. This was the result of a decrease in Issue II grant funding received in 2008. Charges for services increased \$306,890 or 7.78% in 2008. This was due to increases in charges for services and fines, licenses and permits received in the General Fund.

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



## City of Chillicothe, Ohio

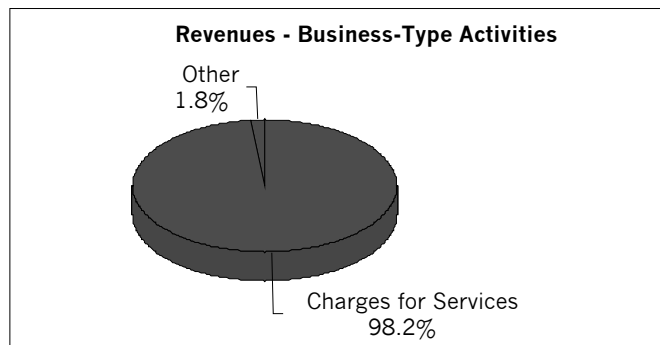
Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

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

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

### Business-Type Activities

The business-type activities of the City of Chillicothe, which include its water and sewer operations, increased the net assets by \$438,260. The majority of the increase in net assets is the result of the decrease in Current and Other Liabilities of \$351,573 or 54.7%.



### Financial Analysis of the City of Chillicothe's Funds

#### Governmental Funds

The focus of the City of Chillicothe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting. The General Fund is the chief operating fund of the City of Chillicothe. At the end of 2008, the total fund balance for the General Fund was \$4,575,110 of which \$4,463,107 was unreserved.

During the current year, the fund balance of the General Fund increased by \$1,083,204. The increase in the General Fund balance is a result of increases in Municipal Income Taxes; Fines, Licenses and Permits; and Intergovernmental Revenue.

At the end of 2008, the Bus Transit Fund had a fund balance of \$418,906, which is an increase of \$83,973. This was the result of the borrowing of funds to construct the new transit facility. Of the fund balance in the Bus Transit Fund \$99,170 was unreserved.

The Street Construction Maintenance & Repair Fund had a fund balance of \$54,332 at the end of 2008, which is a decrease of \$92,417. This was the result of an increase in expenditures.

## **City of Chillicothe, Ohio**

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

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### **Proprietary Funds**

During the current year, the net assets of the City of Chillicothe's water fund increased by \$303,434 or 1.47%. The increase in the Water Fund net assets is due mostly to a decrease in revenue bonds payable.

During the current year, the net assets of the Sewer Fund increased by \$134,826 or 0.69%. The increase in the Sewer Fund net assets is due mostly to a decrease in general obligation bonds payable.

### ***General Fund Budgeting Highlights***

The City of Chillicothe's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2008, the City of Chillicothe amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for an ordinance on the change. The City of Chillicothe does allow small interdepartmental budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$17,022,150 and the final budgeted revenue amount was \$17,347,797.

The difference between the General Fund's final budget and actual revenues in the Local Taxes was \$44,363 or 0.47%. The difference was due to an increase in the receipt of municipal income tax.

The differences between the General Fund's original budget and final amended budget of expenditures amounted to a \$672,332 increase, which included the changes that follow:

- The significant changes were \$435,317 additional appropriation in General Government, and \$113,240 in Security of Persons and Property.

The difference between the General Fund's final budget and actual for the General Government expenditures was \$752,442 or 11.38%. This decrease in actual expenditures was the result of decreases in overtime and capital outlay expenditures in the Municipal Court.

**City of Chillicothe, Ohio**

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

**Capital Assets and Debt Administration****CAPITAL ASSETS AT DECEMBER 31  
(NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities	
	2008	2007	2008	2007
Land	\$6,641,050	\$6,641,050	\$1,889,017	\$1,889,017
Construction in Progress	295,282	0	0	0
Land Improvements	7,373	69,640	0	0
Buildings, Structures and Improvements	6,127,973	6,402,010	2,100,655	2,201,808
Plant and Facilities	0	0	15,857,547	16,356,622
Furniture, Fixtures, & Equipment	1,890,519	2,312,763	479,379	427,351
Infrastructure	24,510,605	26,385,132	19,666,966	19,503,424
Total	<u>\$39,472,802</u>	<u>\$41,810,595</u>	<u>\$39,993,564</u>	<u>\$40,378,222</u>

Total capital assets for governmental activities of the City of Chillicothe for the year 2008 were \$39,472,802 or \$2,337,793 less than in 2007. This decrease was mostly due to the annual depreciation expense.

The decrease in capital assets for business-type activities of \$384,658 was due primarily to the annual depreciation expense.

Additional information concerning capital assets can be found in Note 7 of the notes to the basic financial statements.

As of December 31, 2008, the City of Chillicothe had \$12,575,674 in bonds, OPWC loan, and notes outstanding with \$4,382,613 due within one year.

**OUTSTANDING DEBT AT DECEMBER 31**

	2008	2007
<b>Governmental Activities</b>		
General Obligation Bond Retirement Bonds:		
Various Purpose	\$705,000	\$955,000
Police and Fire Pension	435,000	450,000
Street Improvement Notes	1,200,000	400,000
Fire Truck Acquisition Note	400,000	600,000
Bus Garage Facility Note	1,400,000	0
OPWC Loan	75,675	88,287
Total Governmental Activities	<u>4,215,675</u>	<u>2,493,287</u>
<b>Business-Type Activities</b>		
Water Revenue Bonds	6,675,000	7,660,000
Sewer Revenue Bonds	0	265,000
Sewer General Obligation Bonds	1,685,000	1,770,000
Water and Sewer Notes	0	300,000
Total Business-Type Activities	<u>8,360,000</u>	<u>9,995,000</u>
Total	<u>\$12,575,675</u>	<u>\$12,488,287</u>



## **City of Chillicothe, Ohio**

Management's Discussion and Analysis

For the Year Ended December 31, 2008

Unaudited

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

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

There is \$6,675,000 in water revenue bonds.

The \$1,200,000 general obligation note is for street improvements.

The \$400,000 general obligation note is for the fire truck acquisition.

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

The \$75,675 OPWC loan was for street improvements.

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

### **Current Known Facts and Conditions**

In spite of continuing reductions in employment levels at Glatfelter and Horizon Communications in 2008, City income tax collections increased. Much of this increase is due to the impact of mandatory tax filing. These figures make it difficult to evaluate the impact of our job losses.

### **Contacting the City's Financial Management**

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

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City of Chillicothe, Ohio

Statement of Net Assets

December 31, 2008

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash & Cash Equivalents	\$7,867,174	\$5,304,949	\$13,172,123
Cash and Cash Equivalents in Segregated Accounts	27,223	0	27,223
Cash and Cash Equivalents with Fiscal Agents	441,000	0	441,000
Investment in City Treasury	1,000	0	1,000
Accounts Receivable	400,687	1,133,437	1,534,124
Accrued Interest Receivable	60,621	0	60,621
Internal Balance	734	(734)	0
Intergovernmental Receivable	3,235,604	0	3,235,604
Income Tax Receivable	1,118,119	0	1,118,119
Property Tax Receivable	1,230,486	0	1,230,486
Other Taxes Receivable	111,821	0	111,821
Special Assessments Receivable	63,095	8,690	71,785
Materials and Supplies Inventory	95,774	49,057	144,831
Prepaid Items	126,861	42,387	169,248
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	0	1,818,467	1,818,467
Cash & Cash Equivalents with Fiscal and Trustees	0	1,652,563	1,652,563
Deferred Charges	0	88,080	88,080
Nondepreciable Capital Assets	6,936,332	1,889,017	8,825,349
Depreciable Capital Assets, Net	32,536,470	38,104,547	70,641,017
<b>Total Assets</b>	<b>54,253,001</b>	<b>50,090,460</b>	<b>104,343,461</b>
<b>Liabilities</b>			
Accounts Payable	73,358	17,219	90,577
Contracts Payable	311,782	29,839	341,621
Accrued Wages Payable	315,520	64,214	379,734
Intergovernmental Payable	1,091,251	151,801	1,243,052
Accrued Interest Payable	39,989	27,794	67,783
Retainage Payable	9,505	0	9,505
Unearned Revenue	1,216,486	0	1,216,486
Notes Payable	2,800,000	0	2,800,000
<i>Long-Term Liabilities:</i>			
Due within One Year	1,555,935	1,384,680	2,940,615
Due in More Than One Year	2,988,848	7,834,032	10,822,880
<b>Total Liabilities</b>	<b>10,402,674</b>	<b>9,509,579</b>	<b>19,912,253</b>
<b>Net Assets</b>			
Investments in Capital Assets, Net of Related Debt	38,608,281	31,628,281	70,236,562
<i>Restricted for:</i>			
Debt Service	0	1,652,563	1,652,563
Capital Projects	1,007,274	1,818,467	2,825,741
Housing and Urban Development Program	602,453	0	602,453
Street Maintenance and Repair	402,192	0	402,192
Bus Transit	319,668	0	319,668
Other Purposes	1,801,592	0	1,801,592
<i>Permanent Fund Purpose:</i>			
Expendable	2,147	0	2,147
Nonexpendable	1,000	0	1,000
Unrestricted	1,105,720	5,481,570	6,587,290
<b>Total Net Assets</b>	<b>\$43,850,327</b>	<b>\$40,580,881</b>	<b>\$84,431,208</b>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Activities

For the Year Ended December 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$5,269,764	\$1,682,510	\$25,746	\$0
<i>Security of Persons and Property:</i>				
Police	5,406,935	356,516	0	6,297
Fire	5,206,800	960,872	0	0
Transportation	6,191,675	123,925	2,391,097	0
Community Environment	677,158	0	583,111	0
Basic Utility Services	934,806	989,259	0	0
Leisure Time Activities	927,550	136,601	5,633	104,747
Interest and Fiscal Charges	124,333	0	0	0
<b>Total Governmental Activities</b>	<b>24,739,021</b>	<b>4,249,683</b>	<b>3,005,587</b>	<b>111,044</b>
<b>Business-Type Activities</b>				
Sewer	3,148,719	3,227,754	0	0
Water	4,169,380	4,366,400	0	0
<b>Total Business-Type Activities</b>	<b>7,318,099</b>	<b>7,594,154</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$32,057,120</b>	<b>\$11,843,837</b>	<b>\$3,005,587</b>	<b>\$111,044</b>

**General Revenues**

Property Taxes Levied for:  
    General Purposes  
    Police and Fire Pension  
Municipal Income Taxes Levied for:  
    General Purposes  
    Transportation  
    Capital Outlay  
Other Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
  
Total General Revenues  
  
Transfers  
  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets at Beginning of Year  
  
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
(\$3,561,508)	\$0	(\$3,561,508)
(5,044,122)	0	(5,044,122)
(4,245,928)	0	(4,245,928)
(3,676,653)	0	(3,676,653)
(94,047)	0	(94,047)
54,453	0	54,453
(680,569)	0	(680,569)
(124,333)	0	(124,333)
<u>(17,372,707)</u>	<u>0</u>	<u>(17,372,707)</u>
0	79,035	79,035
<u>0</u>	<u>197,020</u>	<u>197,020</u>
<u>0</u>	<u>276,055</u>	<u>276,055</u>
<u>(17,372,707)</u>	<u>276,055</u>	<u>(17,096,652)</u>
986,223	0	986,223
236,293	0	236,293
9,211,925	0	9,211,925
669,926	0	669,926
836,963	0	836,963
190,237	0	190,237
3,738,582	0	3,738,582
358,230	36,975	395,205
<u>622,353</u>	<u>105,659</u>	<u>728,012</u>
16,850,732	142,634	16,993,366
<u>(19,571)</u>	<u>19,571</u>	<u>0</u>
<u>16,831,161</u>	<u>162,205</u>	<u>16,993,366</u>
(541,546)	438,260	(103,286)
<u>44,391,873</u>	<u>40,142,621</u>	<u>84,534,494</u>
<u>\$43,850,327</u>	<u>\$40,580,881</u>	<u>\$84,431,208</u>

City of Chillicothe, Ohio

Balance Sheet  
Governmental Funds

December 31, 2008

	General	Bus Transit Fund	Street Construction Maintenance & Repair Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$2,813,786	\$1,743,894	\$1,154,921	\$2,154,573	\$7,867,174
Cash and Cash Equivalents in Segregated Accounts	0	22,458	0	4,765	27,223
Cash and Cash Equivalents with Fiscal Agents	0	0	0	441,000	441,000
Investment in City Treasury	0	0	0	1,000	1,000
Accrued Interest Receivable	60,621	0	0	0	60,621
Accounts Receivable	399,382	961	0	344	400,687
Interfund Receivable	59,573	0	0	213,250	272,823
Intergovernmental Receivable	1,693,550	216,344	460,812	864,898	3,235,604
Income Tax Receivable	908,472	69,882	0	139,765	1,118,119
Property Tax Receivable	992,502	0	0	237,984	1,230,486
Other Taxes Receivable	111,821	0	0	0	111,821
Special Assessments Receivable	63,095	0	0	0	63,095
Materials and Supplies Inventory	62,823	9,107	23,844	0	95,774
Prepaid Items	112,003	8,454	1,159	5,245	126,861
<b>Total Assets</b>	<b>\$7,277,628</b>	<b>\$2,071,100</b>	<b>\$1,640,736</b>	<b>\$4,062,824</b>	<b>\$15,052,288</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$56,939	\$11,640	\$4,313	\$466	\$73,358
Contracts Payable	221,381	86,717	3,684	0	311,782
Accrued Wages Payable	257,554	29,071	16,528	12,367	315,520
Intergovernmental Payable	636,455	75,232	41,116	338,448	1,091,251
Interfund Payable	0	19,613	0	252,476	272,089
Accrued Interest Payable	0	20,416	13,555	2,320	36,291
Retainage Payable	0	9,505	0	0	9,505
Notes Payable	0	1,400,000	1,200,000	200,000	2,800,000
Deferred Revenue	1,530,189	0	307,208	961,356	2,798,753
<b>Total Liabilities</b>	<b>2,702,518</b>	<b>1,652,194</b>	<b>1,586,404</b>	<b>1,767,433</b>	<b>7,708,549</b>
<b>Fund Balances</b>					
Reserved for Permanent Fund	0	0	0	1,000	1,000
Reserved for Encumbrances	0	311,282	1,034,424	234,295	1,580,001
Reserved for Prepaid Items	112,003	8,454	1,159	5,245	126,861
<i>Unreserved Reported in:</i>					0
General Fund	4,463,107	0	0	0	4,463,107
Special Revenue Funds	0	99,170	(981,251)	1,463,865	581,784
Debt Service Fund	0	0	0	16,325	16,325
Capital Projects Funds	0	0	0	572,514	572,514
Permanent Fund	0	0	0	2,147	2,147
<b>Total Fund Balances</b>	<b>4,575,110</b>	<b>418,906</b>	<b>54,332</b>	<b>2,295,391</b>	<b>7,343,739</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$7,277,628</b>	<b>\$2,071,100</b>	<b>\$1,640,736</b>	<b>\$4,062,824</b>	<b>\$15,052,288</b>

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, 2008		
<b>Total Governmental Fund Balances</b>		<b>\$7,343,739</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		39,472,802
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	48,627	
Intergovernmental	1,505,172	
Special Assessments	<u>28,468</u>	
Total		1,582,267
Some interest is not due and payable in the current period and therefore is not reported in the funds.		(3,698)
Some liabilities, including the bonds and loan payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(705,000)	
Police & Fire Pension Bonds	(435,000)	
OPWC Loan Payable	(75,675)	
Notes Payable	(200,000)	
Premium on Bonds Issued	(6,242)	
Capital Leases Payable	(117,598)	
Landfill Postclosure Costs	(557,076)	
Compensated Absences Payable	<u>(2,448,192)</u>	
Total		<u>(4,544,783)</u>
Net Assets of Governmental Activities		<u><u>\$43,850,327</u></u>
See accompanying notes to the basic financial statements		

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	General	Bus Transit Fund	Street Construction Maintenance & Repair Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$981,179	\$0	\$0	\$234,615	\$1,215,794
Municipal Income Taxes	8,328,140	669,926	0	1,720,748	10,718,814
Other Taxes	190,237	0	0	0	190,237
Charges for Services	2,046,282	82,473	0	83,392	2,212,147
Fines, Licenses, and Permits	1,968,044	0	0	35,914	2,003,958
Intergovernmental	2,797,885	2,297,455	960,689	569,186	6,625,215
Special Assessments	21,631	0	0	0	21,631
Investment Earnings	358,018	0	0	212	358,230
Miscellaneous	483,613	77,396	11,751	80,972	653,732
<b>Total Revenue</b>	<b>17,175,029</b>	<b>3,127,250</b>	<b>972,440</b>	<b>2,725,039</b>	<b>23,999,758</b>
<b>Expenditures</b>					
<i>Current:</i>					
General Government	4,819,670	0	0	329,917	5,149,587
<i>Security of Persons and Property:</i>					
Police	4,693,006	0	0	505,123	5,198,129
Fire	4,052,441	0	0	635,516	4,687,957
Transportation	233,773	2,995,769	1,214,472	244,744	4,688,758
Community Environment	85	0	0	352,260	352,345
Basic Utility Services	946,803	0	0	0	946,803
Leisure Time Activities	128,038	0	0	738,874	866,912
Capital Outlay	0	0	0	356,415	356,415
<i>Debt Service:</i>					
Principal Retirement	41,796	4,720	212,612	467,092	726,220
Interest and Fiscal Charges	12,544	21,374	21,917	71,117	126,952
<b>Total Expenditures</b>	<b>14,928,156</b>	<b>3,021,863</b>	<b>1,449,001</b>	<b>3,701,058</b>	<b>23,100,078</b>
Excess of Revenues Over (Under) Expenditures	2,246,873	105,387	(476,561)	(976,019)	899,680
<b>Other Financing Sources (Uses):</b>					
Inception of Capital Lease	25,731	0	0	0	25,731
Issuance of Refunding Notes	0	0	0	200,000	200,000
Insurance Recoveries	0	0	0	17,892	17,892
Transfers-In	729,917	0	384,144	1,705,950	2,820,011
Transfers-Out	(1,919,317)	(21,414)	0	(898,851)	(2,839,582)
<b>Total Other Sources (Uses)</b>	<b>(1,163,669)</b>	<b>(21,414)</b>	<b>384,144</b>	<b>1,024,991</b>	<b>224,052</b>
<b>Net Change in Fund Balances</b>	<b>1,083,204</b>	<b>83,973</b>	<b>(92,417)</b>	<b>48,972</b>	<b>1,123,732</b>
<b>Fund Balances at Beginning of Year</b>	<b>3,491,906</b>	<b>334,933</b>	<b>146,749</b>	<b>2,246,419</b>	<b>6,220,007</b>
<b>Fund Balances at End of Year</b>	<b>\$4,575,110</b>	<b>\$418,906</b>	<b>\$54,332</b>	<b>\$2,295,391</b>	<b>7,343,739</b>

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, 2008

**Net Change in Fund Balances - Total Governmental Funds** **\$1,123,732**

**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	1,776,150	
Current Year Depreciation	<u>(4,068,821)</u>	
Total		(2,292,671)

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.

(45,122)

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

Delinquent Property Taxes	6,984	
Intergovernmental	198,357	
Special Assessments	<u>11,947</u>	
Total		217,288

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

726,220

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

2,619

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.

(225,731)

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

57,204

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

Compensated Absences	(106,108)	
Capital Leases Traded-In	<u>1,023</u>	
Total		<u>(105,085)</u>

Change in Net Assets - Governmental Activities

(\$541,546)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$9,425,168	\$9,481,950	\$9,526,313	\$44,363
Charges for Services	3,026,600	2,879,029	3,094,604	215,575
Fines, Licenses and Permits	1,339,500	1,564,663	1,806,041	241,378
Intergovernmental	1,576,702	1,892,211	1,992,587	100,376
Special Assessments	0	21,631	21,631	0
Investment Earnings	500,000	300,000	297,397	(2,603)
Miscellaneous	375,980	430,613	481,335	50,722
Total Revenue	<u>16,243,950</u>	<u>16,570,097</u>	<u>17,219,908</u>	<u>649,811</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	6,175,703	6,611,020	5,858,578	752,442
Security of Persons and Property				
Police	4,830,080	4,858,119	4,706,731	151,388
Fire	4,170,207	4,255,408	4,033,813	221,595
Transportation	230,000	245,000	233,773	11,227
Community Environment	1,100	1,100	85	1,015
Basic Utility Services	1,031,159	1,067,398	917,730	149,668
Leisure Time Activities	129,879	137,281	128,017	9,264
Total Expenditures	<u>16,568,128</u>	<u>17,175,326</u>	<u>15,878,727</u>	<u>1,296,599</u>
Excess of Revenues Over (Under) Expenditures	(324,178)	(605,229)	1,341,181	1,946,410
<b>Other Financing Sources (Uses)</b>				
Transfers - In	778,200	777,700	729,917	(47,783)
Transfers - Out	<u>(2,009,473)</u>	<u>(2,074,607)</u>	<u>(1,919,317)</u>	<u>155,290</u>
Total Other Sources (Uses)	<u>(1,231,273)</u>	<u>(1,296,907)</u>	<u>(1,189,400)</u>	<u>107,507</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,555,451)	(1,902,136)	151,781	2,053,917
Fund Balances at Beginning of Year	2,274,393	2,274,393	2,274,393	0
Prior Year Encumbrances Appropriated	<u>112,182</u>	<u>112,182</u>	<u>112,182</u>	<u>0</u>
Fund Balances at End of Year	<u>\$831,124</u>	<u>\$484,439</u>	<u>\$2,538,356</u>	<u>\$2,053,917</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$631,000	\$661,000	\$671,685	\$10,685
Charges for Services	237,000	75,000	82,473	7,473
Intergovernmental	2,352,038	2,424,038	2,174,130	(249,908)
Other	27,960	39,960	76,935	36,975
Total Revenue	<u>3,247,998</u>	<u>3,199,998</u>	<u>3,005,223</u>	<u>(194,775)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation	<u>3,425,365</u>	<u>4,833,800</u>	<u>3,280,233</u>	<u>1,553,567</u>
Total Expenditures	<u>3,425,365</u>	<u>4,833,800</u>	<u>3,280,233</u>	<u>1,553,567</u>
Excess of Revenues (Under) Expenditures	(177,367)	(1,633,802)	(275,010)	1,358,792
<b>Other Financing Sources (Uses)</b>				
Issuance of Notes	0	1,400,000	1,400,000	0
Transfers-Out	<u>(39,100)</u>	<u>(36,100)</u>	<u>(21,414)</u>	<u>14,686</u>
Total Other Sources (Uses)	<u>(39,100)</u>	<u>1,363,900</u>	<u>1,378,586</u>	<u>14,686</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(216,467)	(269,902)	1,103,576	1,373,478
Fund Balances at Beginning of Year	251,083	251,083	251,083	0
Prior Year Encumbrances Appropriated	<u>77,951</u>	<u>77,951</u>	<u>77,951</u>	<u>0</u>
Fund Balances at End of Year	<u>\$112,567</u>	<u>\$59,132</u>	<u>\$1,432,610</u>	<u>\$1,373,478</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$960,000	\$972,500	\$966,164	(\$6,336)
Other	8,040	8,040	13,323	5,283
Total Revenue	968,040	980,540	979,487	(1,053)
<b>Expenditures</b>				
<i>Current:</i>				
Transportation	1,296,858	2,391,262	2,272,479	118,783
Debt Service:				
Principal Retirements	212,612	412,612	412,612	0
Interest and Fiscal Charges	16,001	16,001	15,717	284
Total Expenditures	1,525,471	2,819,875	2,700,808	119,067
Excess of Revenues Over (Under) Expenditures	(557,431)	(1,839,335)	(1,721,321)	118,014
<b>Other Financing Sources and (Uses):</b>				
Transfers-In	350,000	384,144	384,144	0
Issuance of Notes	0	1,200,000	1,200,000	0
Total Other Financing Sources and (Uses)	350,000	1,584,144	1,584,144	0
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(207,431)	(255,191)	(137,177)	118,014
Fund Balances at Beginning of Year	201,475	201,475	201,475	0
Prior Year Encumbrances Appropriated	53,861	53,861	53,861	0
Fund Balances at End of Year	\$47,905	\$145	\$118,159	\$118,014

City of Chillicothe, Ohio

Statement of Fund Net Assets  
Proprietary Funds

December 31, 2008

	Enterprise Funds		Total
	Water	Sewer	
<b>Assets</b>			
<i>Current:</i>			
Equity in Pooled Cash & Cash Equivalents	\$2,198,565	\$3,106,384	\$5,304,949
Accounts Receivable	657,637	475,800	1,133,437
Special Assessments Receivable	1,799	6,891	8,690
Materials and Supplies Inventory	44,390	4,667	49,057
Prepaid Items	27,566	14,821	42,387
<b>Total Current Assets</b>	<b>2,929,957</b>	<b>3,608,563</b>	<b>6,538,520</b>
<i>Noncurrent:</i>			
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	1,200,000	618,467	1,818,467
Cash & Cash Equivalents with Fiscal and Trustees	1,652,563	0	1,652,563
Deferred Charges	88,080	0	88,080
Nondepreciable Capital Assets	1,412,520	476,497	1,889,017
Depreciable Capital Assets, Net	20,895,349	17,209,198	38,104,547
<b>Total Noncurrent Assets</b>	<b>25,248,512</b>	<b>18,304,162</b>	<b>43,552,674</b>
<b>Total Assets</b>	<b>28,178,469</b>	<b>21,912,725</b>	<b>50,091,194</b>
<b>Liabilities</b>			
<i>Current:</i>			
Accounts Payable	12,840	4,379	17,219
Contracts Payable	10,941	18,898	29,839
Accrued Wages Payable	29,320	34,894	64,214
Compensated Absences Payable	127,048	155,335	282,383
Intergovernmental Payable	79,613	72,188	151,801
Accrued Interest Payable	22,661	5,133	27,794
Interfund Payable	357	377	734
General Obligation Bonds Payable	0	90,000	90,000
Capital Leases Payable	2,297	0	2,297
Revenue Bonds Payable	1,010,000	0	1,010,000
<b>Total Current Liabilities</b>	<b>1,295,077</b>	<b>381,204</b>	<b>1,676,281</b>
<i>Noncurrent:</i>			
Compensated Absences Payable	179,969	261,673	441,642
General Obligation Bonds Payable	0	1,595,000	1,595,000
Revenue Bonds Payable	5,794,404	0	5,794,404
Capital Leases Payable	2,986	0	2,986
<b>Total Noncurrent Liabilities</b>	<b>5,977,359</b>	<b>1,856,673</b>	<b>7,834,032</b>
<b>Total Liabilities</b>	<b>7,272,436</b>	<b>2,237,877</b>	<b>9,510,313</b>
<b>Net Assets</b>			
Investments in Capital Assets, Net of Related Debt	15,627,586	16,000,695	31,628,281
<i>Restricted for:</i>			
Debt Service	1,652,563	0	1,652,563
Capital Projects	1,200,000	618,467	1,818,467
Unrestricted	2,425,884	3,055,686	5,481,570
<b>Total Net Assets</b>	<b>\$20,906,033</b>	<b>\$19,674,848</b>	<b>\$40,580,881</b>

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, 2008

	Enterprise Funds		Total
	Water	Sewer	
<b>Operating Revenues</b>			
Charges for Services	\$4,366,400	\$3,227,754	\$7,594,154
Other Operating Revenue	80,667	24,992	105,659
<b>Total Operating Revenues</b>	<b>4,447,067</b>	<b>3,252,746</b>	<b>7,699,813</b>
<b>Operating Expenses</b>			
Personal Services	1,102,341	1,024,249	2,126,590
Fringe Benefits	667,684	587,892	1,255,576
Contractual Services	133,961	96,564	230,525
Transportation	1,135	0	1,135
Materials and Supplies	476,775	342,913	819,688
Depreciation	695,830	642,267	1,338,097
Other Operating Expense	511,153	367,825	878,978
<b>Total Operating Expenses</b>	<b>3,588,879</b>	<b>3,061,710</b>	<b>6,650,589</b>
Operating Income	858,188	191,036	1,049,224
<b>Non-Operating Revenues (Expenses)</b>			
Bond Issue Costs	(22,792)	0	(22,792)
Interest Income	30,930	6,045	36,975
Loss on Disposal of Capital Assets	(287,774)	(13,188)	(300,962)
Interest and Fiscal Charges	(269,935)	(73,821)	(343,756)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(549,571)</b>	<b>(80,964)</b>	<b>(630,535)</b>
Income Before Transfers	308,617	110,072	418,689
Transfers - In	0	30,000	30,000
Transfers - Out	(5,183)	(5,246)	(10,429)
Change in Net Assets	303,434	134,826	438,260
Net Assets at Beginning of Year	20,602,599	19,540,022	40,142,621
Net Assets at End of Year	\$20,906,033	\$19,674,848	\$40,580,881

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, 2008

	Enterprise Funds		Total
	Water	Sewer	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$4,393,138	\$3,236,681	\$7,629,819
Cash Received from Other Receipts	119,350	29,400	148,750
Cash Payments to Employees	(1,734,974)	(1,586,635)	(3,321,609)
Cash Payments for Contractual Services	(129,958)	(76,930)	(206,888)
Cash Payments for Supplies & Materials	(513,067)	(361,697)	(874,764)
Cash Payments for Other Expenses	(568,520)	(375,981)	(944,501)
Net Cash Provided by Operating Activities	1,565,969	864,838	2,430,807
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers-In from Other Funds	0	30,000	30,000
Transfers-Out to Other Funds	(5,183)	(5,246)	(10,429)
Net Cash Provided by (Used for) Noncapital Financing Activities	(5,183)	24,754	19,571
<b>Cash Flows from Capital and Related Financing Activities</b>			
Interest Paid on Bonds and Notes	(305,460)	(75,132)	(380,592)
Principal Paid on Bonds and Notes	(1,285,000)	(350,000)	(1,635,000)
Cash Paid to Acquire/Construct Capital Assets	(1,021,202)	(233,199)	(1,254,401)
Net Cash Used for Capital Related and Financing Activities	(2,611,662)	(658,331)	(3,269,993)
<b>Cash Flows from Investing Activities</b>			
Interest Received on Investments	30,930	6,045	36,975
Net Cash from Investing Activities	30,930	6,045	36,975
Net Increase (Decrease) In Cash and Cash Equivalents	(1,019,946)	237,306	(782,640)
Cash and Cash Equivalents at Beginning of Year	6,071,074	3,487,545	9,558,619
Cash and Cash Equivalents at End of Year	\$5,051,128	\$3,724,851	\$8,775,979

See accompanying notes to the basic financial statements



**Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities**

Operating Income (Loss)	\$858,188	\$191,036	\$1,049,224
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	695,830	642,267	1,338,097
<i>Changes in Assets &amp; Liabilities:</i>			
(Increase) Decrease in Accounts Receivable	59,737	18,427	78,164
(Increase) Decrease in Special Assessments Receivable	5,684	(5,092)	592
(Increase) Decrease in Material & Supply Inventory	(22,784)	184	(22,600)
(Increase) Decrease in Prepaid Items	1,986	1,992	3,978
Increase (Decrease) in Accounts Payable	(70,585)	(28,177)	(98,762)
Increase (Decrease) in Contracts Payable	2,505	18,318	20,823
Increase (Decrease) in Accrued Wages Payable	11,011	10,628	21,639
Increase (Decrease) in Compensated Absences Payable	17,084	8,965	26,049
Increase (Decrease) in Interfund Payable	357	377	734
Increase (Decrease) in Intergovernmental Payable	6,956	5,913	12,869
Net Cash from Operating Activities	<u>\$1,565,969</u>	<u>\$864,838</u>	<u>\$2,430,807</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fiduciary Net Assets  
Fiduciary Funds

December 31, 2008

	Private Purpose Trust	
	Unclaimed Monies	Agency Funds
<b>Assets</b>		
Equity in Pooled Cash & Cash Equivalents	\$24,927	\$30,454
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>298,010</u>
Total Assets	<u>24,927</u>	<u>328,464</u>
<b>Liabilities</b>		
Intergovernmental Payable	0	50,548
Undistributed Monies	0	245,575
Deposits Held and Due to Others	<u>0</u>	<u>32,341</u>
Total Liabilities	<u>0</u>	<u>\$328,464</u>
<b>Net Assets</b>		
Held in Trust for Potential Claimants	<u>\$24,927</u>	

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund

For the Year Ended December 31, 2008

	Private Purpose Trust
	<u>Unclaimed Monies</u>
<b>Additions</b>	
Miscellaneous	\$7,717
<b>Deductions</b>	
Monies Claimed	130
Amounts Paid to Funds - Expired Claims	<u>16,918</u>
Total Deductions	<u>17,048</u>
Change in Net Assets	(9,331)
Net Assets at Beginning of Year	<u>34,258</u>
Net Assets at End of Year	<u><u>\$24,927</u></u>

See accompanying notes to the basic financial statements

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE**

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

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

**Fund Accounting**

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

Governmental Funds

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Measurement Focus**

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

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

**Basis of Accounting**

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

Revenues - Exchange and Nonexchange Transactions

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



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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

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

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

Unearned/Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as unearned/deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenditures/Expenses

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

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

Budgetary Accounting and Control

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

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

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

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

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

**Cash and Cash Equivalents**

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

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

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2008 amounted to \$358,018, which includes \$294,773 assigned from other City funds.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

**Inventory**

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

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

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**Restricted Assets**

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

**Capital Assets**

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

**Compensated Absences**

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

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

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

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

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

---

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

**Accrued Liabilities and Long-Term Obligations**

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

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

**Fund Balance Reserves**

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

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

**Net Assets**

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

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

**Operating Revenues and Expenses**

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Interfund Transactions**

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

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

**Interfund Balances**

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

**Extraordinary and Special Items**

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

Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

**Estimates**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

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

	General Fund	Bus Transit Fund	Street Construction Maintenance & Repair Fund
<b>GAAP Basis</b>	\$1,083,204	\$83,973	(\$92,417)
Adjustments:			
Net Adjustment for Revenue Accruals	44,879	(122,027)	7,047
Net Adjustment for Expenditure Accruals	(799,458)	52,912	(215,045)
Encumbrances	(151,113)	(311,282)	(1,036,762)
Net Adjustment for Other Sources (Uses)	(25,731)	1,400,000	1,200,000
<b>Budget Basis</b>	<u>\$151,781</u>	<u>\$1,103,576</u>	<u>(\$137,177)</u>

**NOTE 3A - ACCOUNTABILITY AND COMPLIANCE**

Deficit Fund Balances

<u>Nonmajor Funds</u>	<u>Deficit</u>
Police Pension	\$137,174
Fire Pension	162,904

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

**NOTE 4 - NEW GASB PRONOUNCEMENTS**

For fiscal year 2008, the City has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", and GASB No. 50, "Pension Disclosures", an amendment of GASB Statements No. 25 and No. 27. The implementation of GASB Statement No. 49 and 50 had some effect on the disclosure requirements, however, there was no effect on the prior period fund balances of the City.

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 5 - CASH, DEPOSITS AND INVESTMENTS**

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

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

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
-Pooled	\$15,045,971
-Segregated	325,233
-Fiscal & Escrow Agents	2,093,563
Investment (Carrying Amount)	1,000
Reconciling items (net) to arrive at bank balances for deposits	<u>202,887</u>
<b>Total available for deposit and investment</b>	<b><u>\$17,668,654</u></b>

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

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



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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

At December 31, 2008, the carrying amount of all City deposits was \$15,811,204. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2008, \$15,015,091 of the City's bank balance of \$16,015,091 was exposed to custodial risk as discussed above while \$1,000,000 was covered by Federal Deposit Insurance. Congress enacted temporary legislation, as of October 2008, to increase FDIC insurance coverage from \$100,000 to \$250,000 until December 2009.

***Investments:*** As of December 31, 2008, the City had the following investments and maturities:

Investment Type	Fair Value	One Year or Less
U.S. Treasury Bond	\$1,000	\$1,000
Money Market Mutual Fund	1,652,563	1,652,563
Totals	\$1,653,563	\$1,653,563

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

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

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2008 consisted of property taxes, municipal income taxes, accounts (billings for user charged services) and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

**Governmental Activities**

*General Fund:*

Local Government Distributions	\$667,390
State Property Tax Reimbursements	60,083
Estate Taxes and Other Revenues	<u>966,077</u>

Total General Fund 1,693,550

Bus Transportation Grants	216,344
Street Construction Maintenance & Repair Distributions	460,812

*Nonmajor Special Revenue Funds:*

State Highway Distributions	44,798
Housing and Urban Development Grants	538,600
Grants	267,210
Police & Fire Pension State Property Tax Reimbursements	<u>14,290</u>

Total Nonmajor Special Revenue Funds 864,898

**Total Intergovernmental Receivables** \$3,235,604

**NOTE 7- CAPITAL ASSETS**

A summary of changes in general capital assets during 2008 are as follows:

	Balance 01/01/2008	Additions	Deletions	Balance 12/31/2008
<b>Governmental Activities:</b>				
Nondepreciable Capital Assets				
Land	\$6,641,050	\$0	\$0	\$6,641,050
Construction in Progress	<u>0</u>	<u>295,282</u>	<u>(0)</u>	<u>295,282</u>
Total Nondepreciable Capital Assets	<u>6,641,050</u>	<u>295,282</u>	<u>0</u>	<u>6,936,332</u>
Depreciable Capital Assets				
Land Improvements	4,681,703	8,192	0	4,689,895
Buildings, Structures and Improvements	13,346,033	6,950	0	13,352,983
Furniture, Fixtures, Equipment, & Vehicles	9,537,468	445,138	(191,559)	9,791,047
Infrastructure	<u>54,123,718</u>	<u>1,020,588</u>	<u>0</u>	<u>55,144,306</u>
Total Depreciable Capital Assets	<u>81,688,922</u>	<u>1,480,868</u>	<u>(191,559)</u>	<u>82,978,231</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

Less Accumulated Depreciation:

Land Improvements	(4,612,063)	(70,459)	0	(4,682,522)
Buildings, Structures and Improvements	(6,944,023)	(280,987)	0	(7,225,010)
Furniture, Fixtures, Equipment, & Vehicles	(7,224,705)	(822,260)	146,437	(7,900,528)
Infrastructure	(27,738,586)	(2,895,115)	0	(30,633,701)
Total Accumulated Depreciation	(46,519,377)	(4,068,821)	146,437	(50,441,761)
Total Capital Assets Being Depreciated, Net	35,169,545	(2,587,953)	(45,122)	32,536,470
<b>Governmental Activities Capital Assets, Net</b>	<u>\$41,810,595</u>	<u>(\$2,292,671)</u>	<u>(\$45,122)</u>	<u>\$39,472,802</u>

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

**Governmental Activities**

General Government	\$179,395
<i>Security of Persons and Property:</i>	
Police	144,969
Fire	442,094
Transportation	2,850,000
Community Environment	315,345
Leisure Time Activities	137,018

**Governmental Activities Depreciation Expense**

\$4,068,821

	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008
<b>Business-Type Activities:</b>				
Nondepreciable Capital Assets:				
Land	\$1,889,017	\$0	\$0	\$1,889,017
Total Nondepreciable Capital Assets	1,889,017	0	0	1,889,017
Depreciable Capital Assets:				
Land Improvements	272,721	0	0	272,721
Buildings, Structures and Improvements	3,825,689	15,600	0	3,841,289
Plant and Facilities	25,072,722	0	0	25,072,722
Furniture, Fixtures, Equipment, & Vehicles	2,413,939	208,690	(30,204)	2,592,425
Infrastructure	27,937,139	1,030,111	(432,611)	28,534,639
Total Depreciable Capital Assets	59,522,210	1,254,401	(462,815)	60,313,796
Less Accumulated Depreciation:				
Land Improvements	(272,721)	(0)	0	(272,721)
Buildings, Structures and Improvements	(1,623,881)	(116,753)	0	(1,740,634)
Plant and Facilities	(8,716,100)	(499,075)	0	(9,215,175)
Furniture, Fixtures, Equipment, & Vehicles	(1,986,588)	(154,731)	28,273	(2,113,046)
Infrastructure	(8,433,715)	(567,538)	133,580	(8,867,673)
Total Accumulated Depreciation	(21,033,005)	(1,338,097)	161,853	(22,209,249)
Depreciable Capital Assets, Net	38,489,205	(83,696)	(300,962)	38,104,547
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$40,378,222</u>	<u>\$(83,696)</u>	<u>\$(300,962)</u>	<u>\$39,993,564</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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, 2008, were as follows:

Purpose	Balance 1/1/08	Additions	Deletions	Balance 12/31/08
<b>Governmental Activities:</b>				
Bond Anticipation Notes Payable:				
Fire Truck Acquisition, 3.896%	\$200,000	\$0	\$200,000	\$0
Fire Truck Acquisition, 2.90%	0	200,000	0	200,000
Street Improvement, 3.94%	200,000	0	200,000	0
Street Improvement, 2.75%	0	200,000	0	200,000
Street Improvement, 2.50%	0	1,000,000	0	1,000,000
Bus Garage Facility, 2.50%	0	1,400,000	0	1,400,000
<b>Governmental Activities Note Payable</b>	<u>\$400,000</u>	<u>\$2,800,000</u>	<u>\$400,000</u>	<u>\$2,800,000</u>
<b>Business-Type Activities:</b>				
Bond Anticipation Notes Payable:				
Municipal Water System, 3.94%	<u>\$300,000</u>	<u>\$0</u>	<u>\$300,000</u>	<u>\$0</u>
<b>Business-Type Activities Notes Payable</b>	<u>\$300,000</u>	<u>\$0</u>	<u>\$300,000</u>	<u>\$0</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.

During 2008, the City paid \$200,000 of the outstanding \$400,000 Street Improvement bond anticipation note and reissued \$200,000. The City also paid \$200,000 of the outstanding \$600,000 fire truck acquisition bond anticipation note and reissued \$400,000 during 2008. On March 12, 2009, the City paid \$200,000 against the new \$400,000 and refinanced the remaining \$200,000. In June 2008, the City issued \$1,000,000 in street improvement notes. In August 2008, the City issued \$1,400,000 in notes to pay the City's cost of the new Bus Garage Facility. Therefore, the \$3,000,000 liability outstanding at December 31, 2008 will be split with \$200,000 presented as a long-term liability and \$2,800,000 presented as a fund liability in the financial statements.

**NOTE 9 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2008, was as follows:

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Governmental Activities General Obligation Bonds and Other Long-Term Obligations**

Purpose	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds Payable:					
Various Purpose G.O. Refunding Bonds, \$2,125,000, 3.31%, 2003 - 2012	\$955,000	\$ 0	(\$250,000)	\$705,000	\$250,000
Issuance Premium on Bonds	8,322	0	(2,080)	6,242	0
Police & Fire Pension Bonds, \$575,000, 3.75-5.625%, 1999 - 2024	450,000	0	(15,000)	435,000	20,000
OPWC Term Loan Payable, \$126,126, 0.00%, 2005 - 2014	88,287	0	(12,612)	75,675	12,613
Bond Anticipation Notes Payable:					
Fire Truck Acquisition, 3.896%	400,000	0	400,000	0	0
Fire Truck Acquisition, 2.90%	0	200,000	0	200,000	200,000
Street Improvement, 3.94%	200,000	0	200,000	0	0
Other Long-Term Obligations:					
Compensated Absences	2,342,084	1,008,590	(902,482)	2,448,192	985,117
Capital Leases	141,498	25,731	(49,631)	117,598	41,516
Landfill Post-Closure Care	614,280	0	(57,204)	557,076	46,689
Governmental Activities Long-Term Obligations	<u>\$5,199,471</u>	<u>\$1,234,321</u>	<u>(\$1,889,009)</u>	<u>\$4,544,783</u>	<u>\$1,555,935</u>

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

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

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Business-Type Activities Bonds and Other Long-Term Obligations**

Purpose	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008	Amounts Due Within One Year
<b>Business-Type Activities:</b>					
Revenue Bonds Payable:					
Municipal Water System Refunding \$11,350,000, 5.22%, 2003 - 2014	\$7,660,000	\$ 0	(\$985,000)	\$6,675,000	\$1,010,000
Issuance Premium on Bonds	155,285	0	(25,881)	129,404	0
Municipal Sewer System, \$3,010,000, 2.75-5.10%, 1993 - 2008	265,000	0	(265,000)	0	0
General Obligation Bonds Payable:					
\$2,095,000, Sewer Bonds, 3.31%, 2003-2023	1,770,000	0	(85,000)	1,685,000	90,000
Compensated Absences	697,976	141,052	(115,003)	724,025	282,383
Capital Leases	7,362	0	(2,079)	5,283	2,297
	<u>10,555,623</u>	<u>141,052</u>	<u>(\$1,477,963)</u>	<u>9,218,712</u>	<u>1,384,680</u>
Business-Type Activities Long-Term Obligations					

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

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

Enterprise fund assets, whose use is restricted under bond indentures, are presented as restricted assets on the statement of net assets. Restricted assets relating to the revenue bonds at December 31, 2008 are as follows:

**Business-Type Activities**

Restricted Assets Held by the City For:		
Water System Replacement and Improvement		\$1,200,000
Restricted Assets Held by the Trustee for:		
Water System Bond Debt Service		<u>1,652,563</u>

**Business-Type Activities Restricted Assets**

\$2,852,563

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

Debt service requirements are as follows:

For year Ended Dec 31	General Obligation Bonds Various		Police & Fire Pension Bonds Bonds	
	Principal	Interest	Principal	Interest
2009	\$250,000	\$19,595	\$20,000	\$23,944
2010	190,000	13,345	20,000	22,964
2011	190,000	8,025	20,000	21,964
2012	75,000	2,325	20,000	20,944
2013	0	0	20,000	19,903
2014 - 2018	0	0	130,000	80,156
2019 - 2023	0	0	165,000	39,938
2024	0	0	40,000	2,250
	<u>\$705,000</u>	<u>\$43,290</u>	<u>\$435,000</u>	<u>\$232,063</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

For Year Ended Dec 31	Water Revenue Bonds		Sewer G. O. Bonds	
	Principal	Interest	Principal	Interest
2009	\$1,010,000	\$266,817	\$90,000	\$60,440
2010	1,050,000	226,418	85,000	58,190
2011	1,095,000	184,417	95,000	55,810
2012	1,130,000	147,188	95,000	52,960
2013	1,175,000	104,813	100,000	50,015
2014 - 2018	1,215,000	60,750	545,000	197,550
2019 - 2023	0	0	675,000	85,228
	<u>\$6,675,000</u>	<u>\$990,403</u>	<u>\$1,685,000</u>	<u>\$560,193</u>

For Year Ended Dec 31	OPWC Loan Payable Principal Only
2009	\$12,613
2010	12,612
2011	12,612
2012	12,613
2013	12,612
2014	12,613
	<u>\$75,675</u>

**NOTE 10 - CAPITAL LEASES**

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the statement of revenues, expenditures and changes in fund balance for governmental funds as a functional expenditure and "inception of capital lease". Capital lease payments are reflected as debt service expenditures in the General, Bus Transit, Street Construction Maintenance & Repair, and Parks and Recreation funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$289,958 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2008 were \$48,608 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, 2008 are as follows:

Year Ended December 31,	Capital Lease Payments	
	Governmental Activities	Business-Type Activities
2009	\$49,443	\$2,723
2010	41,420	2,723
2011	23,995	454
2012	14,662	0
2013	3,716	0
Total Future Minimum Lease Payments	133,236	5,900
Less: Amount Representing Interest	(15,638)	(617)
Present Value of Net Minimum Lease Payments	<u>\$117,598</u>	<u>\$5,283</u>

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS**

***Ohio Public Employees Retirement System***

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

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

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

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

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

***Funding Policy:*** The Ohio Revised Code provides statutory authority for member and employer contribution rates. For 2008, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. Plan members, other than those engaged in law enforcement, are required to contribute 10.0% of their annual covered salary.



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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

Employer contribution rates are expressed as a percentage of the covered payroll of active members. The employer contribution rate for pension benefits for 2008 was 14.0% of covered payroll, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contribution was 17.40% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for State and local employer units and 18.1% of covered payroll for law and public safety employer units. The City's required contributions to OPERS for the years ending December 31, 2008, 2007, and 2006 were \$517,898, \$598,518, and \$635,804, respectively; 92.87% has been contributed for 2008, 100% for years 2007 and 2006. Of the 2008 amount, \$36,931 was unpaid at December 31, 2008 and is recorded as a fund liability in the basic financial statements.

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

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

In 2008, for local government employer units the rate was 14.0% of covered payroll; 7.0% was the portion used to fund health care. The 2008 employer rate was 17.40% and 7.0% was used to fund health care for both the law enforcement and public safety divisions.

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

Of the employer contributions made by the City for the year 2008, \$517,898 was the amount used to fund postemployment health care. The actual contribution and the actuarially required contribution amounts are the same.

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

***Ohio Police and Fire Pension Fund***

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

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

***Funding Policy:*** Plan members are required to contribute 10.0% of their annual covered salary to fund pension benefits, while the City is required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for the years ending December 31, 2008, 2007 and 2006 were \$789,496, \$761,472, and \$629,462, respectively; 73.1% has been contributed for 2008 and 100% for years 2007 and 2006. Of the 2008 amount \$210,312 was unpaid at December 31, 2008 and is recorded as a fund liability in the basic financial statements. Of the previously mentioned contributions, for the years ending December 31, 2008, 2007 and 2006 \$3,499, \$3,333 and \$3,588 respectively, were allocated to the healthcare plan.

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

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

***Postemployment Benefits:*** The OP&F System of Ohio provides access to postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Active members do not make contributions to the OPEB Plan. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F shall be included in the employer's contribution rate, which is 19.5% of covered payroll for police officers and 24.0% of covered payroll for firefighters. Of these employer contribution rates for the City, 6.75% was applied to the postemployment health care program. Of the employer contributions made by the City for the year 2008, \$354,314 was the amount used to fund postemployment health care.

The Ohio Revised Code provides the statutory authority allowing the OP&F Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2007 and 6.75% in 2008. The amount of employer contributions allocated to the health care plan each year is subject to the Trustee's primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

Beginning in 2001, all retirees and survivors have monthly health care contributions.

**NOTE 12 - COMPENSATED ABSENCES**

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

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

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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 2008 tax levy was based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$398,492,350
Tangible Personal Property	15,581,790
Public Utility Property	14,169,310
Total	<u><u>\$428,243,450</u></u>

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

In 2008, real property taxes were levied on January 1, 2008, on assessed values as of January 1, 2007, the lien date. Real estate taxes were due and payable on February 9 and July 8, 2008. Personal property taxes were due and payable on May 10 and September 20, 2008, on assessed values as of the lien date, December 31, 2007.

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, 2008.

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

**NOTE 14 - MUNICIPAL INCOME TAXES**

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

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, 2008 there were \$420,359 in delinquent income taxes for which collection is uncertain, therefore these taxes are not accrued. In 2008, these municipal income taxes generated a combined total of \$10,718,814 in local tax revenue.

**NOTE 15 - INTERFUND ACTIVITY**

As of December 31, 2008, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
	_____	_____
<b>Governmental Activities</b>		
General Fund	\$59,573	\$0
Bus Transit Fund	0	19,613
<i>Nonmajor Special Revenue Funds:</i>		
Income Tax	213,250	0
Parks and Recreation	0	24
Total Nonmajor Special Revenue Funds	213,250	24
<i>Nonmajor Capital Projects Funds:</i>		
Safety Levy Capital	0	19,601
Parks and Recreation Capital	0	232,851
Total Nonmajor Capital Projects Funds	0	252,452
<i>Business-Type Activities:</i>		
Water	0	357
Sewer	0	377
Total Business-Type Funds	0	734
<i>Total</i>	<u>\$272,823</u>	<u>\$272,823</u>

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

A summary of interfund transfers for 2008 are as follows:

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

**FOR THE YEAR ENDED DECEMBER 31, 2008**

Transfers Out	Transfers In						Total
	General	Street Construction Maintenance & Repair Fund	Nonmajor Special Revenue	Nonmajor Capital Improvement	Bond Retirement	Sewer	
General	\$0	\$384,144	\$1,337,000	\$93,700	\$74,473	\$30,000	\$1,919,317
Bus Transit	21,414	0	0	0	0	0	21,414
Nonmajor Special Revenue	655,664	0	0	0	0	0	655,664
Nonmajor Capital Projects	42,410	0	0	0	200,777	0	243,187
Water	5,183	0	0	0	0	0	5,183
Sewer	5,246	0	0	0	0	0	5,246
	<u>\$729,917</u>	<u>\$384,144</u>	<u>\$1,337,000</u>	<u>\$93,700</u>	<u>\$275,250</u>	<u>\$30,000</u>	<u>\$2,850,011</u>

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

In the year ended December 31, 2008, the City made transfers of \$1,721,144 from the General Fund to various Nonmajor Special Revenue Funds to subsidize the programs of those funds.

**NOTE 16 - ROSS COUNTY AND CHILLICOTHE LAW ENFORCEMENT COMPLEX**

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

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

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

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

**NOTE 17 - LANDFILL CLOSURE AND POST CLOSURE CARE**

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

In 2008, the City incurred \$55,754 in post closure care costs and decreased its postclosure care liability by \$57,204, which is a change in estimate. To this date, the City has incurred approximately \$2,075,517 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 \$557,076. The liability is based on an average of cumulative postclosure care costs to this date projected over the next twelve years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability is provided through the General Fund where transfers will be made over the next twelve years.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2008  
NOTE 18 - RISK MANAGEMENT**

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

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

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

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

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

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

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

**NOTE 19 - CONTINGENCIES**

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



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

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**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 20 - SUBSEQUENT EVENTS**

On March 12, 2009, the City issued a \$200,000 general obligation bond anticipation note for the purpose of purchasing a new fire truck. This note bears an interest rate of 3.15%.

In March, 2009 the City received verification of \$1,509,951 in stimulus money in connection with the new Transit Facility currently being constructed.

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## **CITY OF CHILLICOTHE, OHIO**

### **GOVERNMENTAL FUNDS**

#### **NONMAJOR SPECIAL REVENUE FUNDS**

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

##### **State Highway Fund**

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

##### **Parks and Recreation Fund**

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

##### **HUD Fund**

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

##### **Grants Fund**

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

##### **Floodwall Fund**

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

##### **Cablevision Fund**

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

##### **Income Tax Fund**

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

##### **Law Enforcement Fund**

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

## **CITY OF CHILLICOTHE, OHIO**

### **Indigent Drivers Alcohol Treatment Fund**

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

### **OMVI Enforcement & Education Fund**

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

### **Mandatory Drug Fines Fund**

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

### **Parking Fund**

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

### **Police Pension Fund**

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

### **Fire Pension Fund**

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

## **CITY OF CHILLICOTHE, OHIO**

### **NONMAJOR BOND RETIREMENT FUND**

The bond retirement fund is used to account for the accumulation of resources for, and the payment of principal and interest on general obligation bonds.

### **NONMAJOR CAPITAL PROJECTS FUNDS**

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

#### **Capital Improvement Fund**

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

#### **Issue II Fund**

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

#### **Safety Levy Capital Fund**

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

#### **Landfill Closure Fund**

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

#### **Parks and Recreation Capital Fund**

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

#### **Streetscape Fund**

To account for streetscape maintenance expenses.

## **CITY OF CHILLICOTHE, OHIO**

### **NONMAJOR PERMANENT FUND**

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

#### **Carlisle Hill Fund**

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

City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Governmental Funds

December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$1,412,201	\$16,325	\$723,900	\$2,147	\$2,154,573
Cash and Cash Equivalents in Segregated Accounts	4,765	0	0	0	4,765
Cash and Cash Equivalents with Fiscal Agents	0	0	441,000	0	441,000
Investment in City Treasury	0	0	0	1,000	1,000
Accounts Receivable	344	0	0	0	344
Interfund Receivable	213,250	0	0	0	213,250
Intergovernmental Receivable	864,898	0	0	0	864,898
Income Tax Receivable	45,284	0	94,481	0	139,765
Property Tax Receivable	237,984	0	0	0	237,984
Prepaid Items	2,580	0	2,665	0	5,245
<b>Total Assets</b>	<b>\$2,781,306</b>	<b>\$16,325</b>	<b>\$1,262,046</b>	<b>\$3,147</b>	<b>\$4,062,824</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$466	\$0	\$0	\$0	\$466
Accrued Wages Payable	12,367	0	0	0	12,367
Accrued Interest Payable	0	0	2,320	0	2,320
Intergovernmental Payable	338,448	0	0	0	338,448
Interfund Payable	24	0	252,452	0	252,476
Notes Payable	0	0	200,000	0	200,000
Deferred Revenue	961,356	0	0	0	961,356
<b>Total Liabilities</b>	<b>1,312,661</b>	<b>0</b>	<b>454,772</b>	<b>0</b>	<b>1,767,433</b>
<b>Fund Balances</b>					
Reserved for Permanent Fund	0	0	0	1,000	1,000
Reserved for Encumbrances	2,200	0	232,095	0	234,295
Reserved for Prepaid Items	2,580	0	2,665	0	5,245
Unreserved	1,463,865	16,325	572,514	2,147	2,054,851
<b>Total Fund Balances</b>	<b>1,468,645</b>	<b>16,325</b>	<b>807,274</b>	<b>3,147</b>	<b>2,295,391</b>
	<b>\$2,781,306</b>	<b>\$16,325</b>	<b>\$1,262,046</b>	<b>\$3,147</b>	<b>\$4,062,824</b>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property Taxes	\$234,615	\$0	\$0	\$0	\$234,615
Municipal Income Taxes	883,785	0	836,963	0	1,720,748
Charges for Services	83,392	0	0	0	83,392
Fines, Licenses and Permits	35,914	0	0	0	35,914
Intergovernmental	458,142	0	111,044	0	569,186
Investment Earnings	172	0	0	40	212
Miscellaneous	62,213	0	18,759	0	80,972
<b>Total Revenue</b>	<b>1,758,233</b>	<b>0</b>	<b>966,766</b>	<b>40</b>	<b>2,725,039</b>
<b>Expenditures</b>					
<i>Current:</i>					
General Government	329,917	0	0	0	329,917
<i>Security of Persons and Property:</i>					
Police	505,123	0	0	0	505,123
Fire	635,516	0	0	0	635,516
Transportation	244,744	0	0	0	244,744
Community Environment	352,260	0	0	0	352,260
Leisure Time Activities	738,874	0	0	0	738,874
Capital Outlay	0	0	356,415	0	356,415
<i>Debt Service:</i>					
Principal Retirement	17,092	250,000	200,000	0	467,092
Interest and Fiscal Charges	25,117	24,875	21,125	0	71,117
<b>Total Expenditures</b>	<b>2,848,643</b>	<b>274,875</b>	<b>577,540</b>	<b>0</b>	<b>3,701,058</b>
Excess of Revenues Over (Under) Expenditures	(1,090,410)	(274,875)	389,226	40	(976,019)
<b>Other Financing Sources (Uses)</b>					
Issuance of Refunding Notes	0	0	200,000	0	200,000
Insurance Recoveries	0	0	17,892	0	17,892
Transfers-In	1,337,000	275,250	93,700	0	1,705,950
Transfers-Out	(655,664)	0	(243,187)	0	(898,851)
<b>Total Other Sources (Uses)</b>	<b>681,336</b>	<b>275,250</b>	<b>68,405</b>	<b>0</b>	<b>1,024,991</b>
Net Change in Fund Balances	(409,074)	375	457,631	40	48,972
Fund Balances at Beginning of Year	1,877,719	15,950	349,643	3,107	2,246,419
<b>Fund Balances at End of Year</b>	<b>\$1,468,645</b>	<b>\$16,325</b>	<b>\$807,274</b>	<b>\$3,147</b>	<b>\$2,295,391</b>



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City of Chillicothe, Ohio

Combining Balance Sheet  
 Nonmajor Special Revenue Funds

December 31, 2008

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$43,437	\$101,251	\$59,842	\$75,289	\$64,382
Cash and Cash Equivalents in					
Segregated Accounts	0	0	4,011	0	0
Accounts Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	44,798	0	538,600	267,210	0
Income Taxes Receivable	0	45,284	0	0	0
Property Taxes Receivable	0	0	0	0	0
Prepaid Items	0	2,496	0	0	84
<b>Total Assets</b>	<b><u>\$88,235</u></b>	<b><u>\$149,031</u></b>	<b><u>\$602,453</u></b>	<b><u>\$342,499</u></b>	<b><u>\$64,466</u></b>
<b>Liabilities</b>					
Accounts Payable	\$0	\$437	\$0	\$0	\$0
Accrued Wages Payable	1,156	8,916	0	0	0
Intergovernmental Payable	2,767	27,401	0	0	0
Interfund Payable	0	24	0	0	0
Deferred Revenue	29,866	0	476,811	202,405	0
<b>Total Liabilities</b>	<b><u>33,789</u></b>	<b><u>36,778</u></b>	<b><u>476,811</u></b>	<b><u>202,405</u></b>	<b><u>0</u></b>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	633	0	592
Reserved for Prepaid Items	0	2,496	0	0	84
Unreserved	54,446	109,757	125,009	140,094	63,790
<b>Total Fund Balances</b>	<b><u>54,446</u></b>	<b><u>112,253</u></b>	<b><u>125,642</u></b>	<b><u>140,094</u></b>	<b><u>64,466</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$88,235</u></b>	<b><u>\$149,031</u></b>	<b><u>\$602,453</u></b>	<b><u>\$342,499</u></b>	<b><u>\$64,466</u></b>

Cablevision	Income Tax	Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines	Parking
\$5,765	\$635,623	\$119,934	\$214,432	\$5,518	\$50,937	\$33,545
0	0	0	651	103	0	0
0	0	0	0	0	344	0
0	213,250	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$5,765</u>	<u>\$848,873</u>	<u>\$119,934</u>	<u>\$215,083</u>	<u>\$5,621</u>	<u>\$51,281</u>	<u>\$33,545</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$29
0	0	0	0	0	0	2,295
0	0	0	0	0	0	5,956
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,280</u>
0	0	0	0	0	0	975
0	0	0	0	0	0	0
<u>5,765</u>	<u>848,873</u>	<u>119,934</u>	<u>215,083</u>	<u>5,621</u>	<u>51,281</u>	<u>24,290</u>
<u>5,765</u>	<u>848,873</u>	<u>119,934</u>	<u>215,083</u>	<u>5,621</u>	<u>51,281</u>	<u>25,265</u>
<u>\$5,765</u>	<u>\$848,873</u>	<u>\$119,934</u>	<u>\$215,083</u>	<u>\$5,621</u>	<u>\$51,281</u>	<u>\$33,545</u>

continued

Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$1,794	\$452	\$1,412,201
0	0	4,765
0	0	344
0	0	213,250
7,145	7,145	864,898
0	0	45,284
118,992	118,992	237,984
0	0	2,580
<u>\$127,931</u>	<u>\$126,589</u>	<u>\$2,781,306</u>
\$0	\$0	\$466
0	0	12,367
138,968	163,356	338,448
0	0	24
<u>126,137</u>	<u>126,137</u>	<u>961,356</u>
<u>265,105</u>	<u>289,493</u>	<u>1,312,661</u>
0	0	2,200
0	0	2,580
<u>(137,174)</u>	<u>(162,904)</u>	<u>1,463,865</u>
<u>(137,174)</u>	<u>(162,904)</u>	<u>1,468,645</u>
<u>\$127,931</u>	<u>\$126,589</u>	<u>\$2,781,306</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, 2008

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	502,889	0	0	0
Charges for Services	0	41,940	0	0	0
Fines, Licenses and Permits	0	0	0	0	0
Intergovernmental	89,573	0	224,501	116,149	0
Investment Earnings	0	0	172	0	0
Miscellaneous	911	10,348	4,473	0	0
<b>Total Revenue</b>	<b>90,484</b>	<b>555,177</b>	<b>229,146</b>	<b>116,149</b>	<b>0</b>
<b>Expenditures</b>					
<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	70,911	0	0	0	0
Community Environment	0	0	304,241	1,125	46,894
Leisure Time Activities	0	738,874	0	0	0
<i>Debt Service:</i>					
Principal Retirement	0	2,092	0	0	0
Interest and Fiscal Charges	0	453	0	0	0
<b>Total Expenditures</b>	<b>70,911</b>	<b>741,419</b>	<b>304,241</b>	<b>1,125</b>	<b>46,894</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>19,573</b>	<b>(186,242)</b>	<b>(75,095)</b>	<b>115,024</b>	<b>(46,894)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers-In	0	135,000	0	0	60,000
Transfers-Out	0	(665)	0	(154,673)	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>134,335</b>	<b>0</b>	<b>(154,673)</b>	<b>60,000</b>
<b>Net Change in Fund Balances</b>	<b>19,573</b>	<b>(51,907)</b>	<b>(75,095)</b>	<b>(39,649)</b>	<b>13,106</b>
<b>Fund Balances at Beginning of Year</b>	<b>34,873</b>	<b>164,160</b>	<b>200,737</b>	<b>179,743</b>	<b>51,360</b>
<b>Fund Balances at End of Year</b>	<b>\$54,446</b>	<b>\$112,253</b>	<b>\$125,642</b>	<b>\$140,094</b>	<b>\$64,466</b>

Cablevision	Income Tax	Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines	Parking
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	380,896	0	0	0	0	0
0	0	0	0	0	0	41,452
0	0	7,662	20,794	3,046	4,412	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	4,203
<u>0</u>	<u>380,896</u>	<u>7,662</u>	<u>20,794</u>	<u>3,046</u>	<u>4,412</u>	<u>45,655</u>
0	329,917	0	0	0	0	0
0	0	0	0	5,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	173,833
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>329,917</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>173,833</u>
<u>0</u>	<u>50,979</u>	<u>7,662</u>	<u>20,794</u>	<u>(1,954)</u>	<u>4,412</u>	<u>(128,178)</u>
0	175,000	0	0	0	0	110,000
0	(500,000)	0	0	0	0	(326)
<u>0</u>	<u>(325,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>109,674</u>
0	(274,021)	7,662	20,794	(1,954)	4,412	(18,504)
<u>5,765</u>	<u>1,122,894</u>	<u>112,272</u>	<u>194,289</u>	<u>7,575</u>	<u>46,869</u>	<u>43,769</u>
<u>\$5,765</u>	<u>\$848,873</u>	<u>\$119,934</u>	<u>\$215,083</u>	<u>\$5,621</u>	<u>\$51,281</u>	<u>\$25,265</u>

continued

Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$117,308	\$117,307	\$234,615
0	0	883,785
0	0	83,392
0	0	35,914
13,959	13,960	458,142
0	0	172
<u>21,139</u>	<u>21,139</u>	<u>62,213</u>
<u>152,406</u>	<u>152,406</u>	<u>1,758,233</u>
0	0	329,917
500,123	0	505,123
0	635,516	635,516
0	0	244,744
0	0	352,260
0	0	738,874
4,000	11,000	17,092
<u>5,536</u>	<u>19,128</u>	<u>25,117</u>
<u>509,659</u>	<u>665,644</u>	<u>2,848,643</u>
<u>(357,253)</u>	<u>(513,238)</u>	<u>(1,090,410)</u>
353,000	504,000	1,337,000
<u>0</u>	<u>0</u>	<u>(655,664)</u>
<u>353,000</u>	<u>504,000</u>	<u>681,336</u>
(4,253)	(9,238)	(409,074)
<u>(132,921)</u>	<u>(153,666)</u>	<u>1,877,719</u>
<u><u>(\$137,174)</u></u>	<u><u>(\$162,904)</u></u>	<u><u>\$1,468,645</u></u>



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City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Capital Projects Funds

December 31, 2008

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
<b>Assets</b>			
Equity in Pooled Cash & Cash Equivalents	\$32,000	\$0	\$458,066
Cash & Cash Equivalents with Fiscal Agents	0	0	0
Income Tax Receivable	0	0	69,882
Prepaid Items	<u>0</u>	<u>0</u>	<u>2,665</u>
Total Assets	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$530,613</u></u>
<b>Liabilities</b>			
Accrued Interest Payable	\$0	\$0	\$2,320
Interfund Payable	0	0	19,601
Notes Payable	<u>0</u>	<u>0</u>	<u>200,000</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>221,921</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	0	95,868
Reserved for Prepaid Items	0	0	2,665
Unreserved	<u>32,000</u>	<u>0</u>	<u>210,159</u>
Total Fund Balances	<u>32,000</u>	<u>0</u>	<u>308,692</u>
Total Liabilities and Fund Balances	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$530,613</u></u>

<u>Landfill Closure</u>	<u>Parks &amp; Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$64,875	\$145,605	\$23,354	\$723,900
0	441,000	0	441,000
0	24,599	0	94,481
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,665</u>
<u>\$64,875</u>	<u>\$611,204</u>	<u>\$23,354</u>	<u>\$1,262,046</u>
\$0	\$0	\$0	\$2,320
0	232,851	0	252,452
<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
<u>0</u>	<u>232,851</u>	<u>0</u>	<u>454,772</u>
40,000	85,287	10,940	232,095
0	0	0	2,665
<u>24,875</u>	<u>293,066</u>	<u>12,414</u>	<u>572,514</u>
<u>64,875</u>	<u>378,353</u>	<u>23,354</u>	<u>807,274</u>
<u>\$64,875</u>	<u>\$611,204</u>	<u>\$23,354</u>	<u>\$1,262,046</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, 2008

	Capital Improvement	Issue II	Safety Levy Capital
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$669,926
Intergovernmental	0	0	6,297
Miscellaneous	0	0	6,089
Total Revenue	<u>0</u>	<u>0</u>	<u>682,312</u>
<b>Expenditures</b>			
Capital Outlay	0	0	189,079
<i>Debt Service:</i>			
Principal Retirement	0	0	200,000
Interest and Fiscal Charges	0	0	21,125
Total Expenditures	<u>0</u>	<u>0</u>	<u>410,204</u>
Excess of Revenues Over (Under) Expenditures	0	0	272,108
<b>Other Financing Sources (Uses)</b>			
Issuance of Refunding Notes	0	0	200,000
Insurance Recoveries	0	0	17,892
Transfers-In	0	0	0
Transfers-Out	0	0	(221,982)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(4,090)</u>
Net Change in Fund Balances	0	0	268,018
Fund Balances at Beginning of Year	<u>32,000</u>	<u>0</u>	<u>40,674</u>
Fund Balances at End of Year	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$308,692</u></u>

Landfill Closure	Parks & Recreation Capital	Streetscape	Total Nonmajor Capital Projects Funds
\$0	\$167,037	\$0	\$836,963
0	104,747	0	111,044
0	12,670	0	18,759
0	284,454	0	966,766
50,687	107,181	9,468	356,415
0	0	0	200,000
0	0	0	21,125
50,687	107,181	9,468	577,540
(50,687)	177,273	(9,468)	389,226
0	0	0	200,000
0	0	0	17,892
90,000	0	3,700	93,700
0	(21,205)	0	(243,187)
90,000	(21,205)	3,700	68,405
39,313	156,068	(5,768)	457,631
25,562	222,285	29,122	349,643
<u>\$64,875</u>	<u>\$378,353</u>	<u>\$23,354</u>	<u>\$807,274</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$9,425,168	\$9,481,950	\$9,526,313	\$44,363
Charges for Services	3,026,600	2,879,029	3,094,604	215,575
Fines, Licenses and Permits	1,339,500	1,564,663	1,806,041	241,378
Intergovernmental	1,576,702	1,892,211	1,992,587	100,376
Special Assessments	0	21,631	21,631	0
Investment Earnings	500,000	300,000	297,397	(2,603)
Miscellaneous	375,980	430,613	481,335	50,722
<b>Total Revenue</b>	<b>16,243,950</b>	<b>16,570,097</b>	<b>17,219,908</b>	<b>649,811</b>
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	268,378	277,712	276,246	1,466
Fringe Benefits	153,500	154,371	153,208	1,163
Travel Transportation	3,750	3,750	2,931	819
Materials and Supplies	59,058	58,663	47,455	11,208
Contractual Services	15,300	31,100	17,663	13,437
Capital Outlay	0	2,650	1,379	1,271
Other	9,200	8,945	6,959	1,986
<b>Total Mayor</b>	<b>509,186</b>	<b>537,191</b>	<b>505,841</b>	<b>31,350</b>
City Council				
Personal Services	60,031	60,031	59,975	56
Fringe Benefits	134,220	124,015	112,018	11,997
Travel Transportation	600	550	494	56
Materials and Supplies	600	600	0	600
Other	100	100	0	100
<b>Total City Council</b>	<b>195,551</b>	<b>185,296</b>	<b>172,487</b>	<b>12,809</b>
Treasurer				
Personal Services	40,161	40,238	38,459	1,779
Fringe Benefits	49,600	49,523	48,878	645
Materials and Supplies	2,700	2,700	1,549	1,151
Contractual Services	2,900	2,900	586	2,314
Capital Outlay	300	300	275	25
Other	400	400	200	200
<b>Total Treasurer</b>	<b>96,061</b>	<b>96,061</b>	<b>89,947</b>	<b>6,114</b>

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Income Tax Department</b>				
Personal Services	123,050	124,071	120,602	3,469
Fringe Benefits	89,033	88,012	86,400	1,612
Travel Transportation	200	200	0	200
Materials and Supplies	13,350	13,350	9,611	3,739
Contractual Services	5,500	5,500	4,335	1,165
Other	600	600	27	573
<b>Total Income Tax Department</b>	<b>231,733</b>	<b>231,733</b>	<b>220,975</b>	<b>10,758</b>
<b>Land and Buildings</b>				
Materials and Supplies	150,200	155,582	153,887	1,695
Contractual Services	46,000	47,729	47,720	9
Capital Outlay	30,000	79,996	62,020	17,976
Other	500	389	389	0
<b>Total Land and Buildings</b>	<b>226,700</b>	<b>283,696</b>	<b>264,016</b>	<b>19,680</b>
<b>Law Director</b>				
Personal Services	380,310	397,561	397,359	202
Fringe Benefits	295,878	273,627	230,970	42,657
Travel Transportation	1,150	770	241	529
Materials and Supplies	39,300	40,324	32,644	7,680
Contractual Services	33,500	33,831	26,739	7,092
Capital Outlay	9,855	9,855	9,748	107
Other	2,750	20,135	19,529	606
<b>Total Law Director</b>	<b>762,743</b>	<b>776,103</b>	<b>717,230</b>	<b>58,873</b>
<b>Auditor</b>				
Personal Services	301,621	301,405	293,146	8,259
Fringe Benefits	168,300	168,516	163,308	5,208
Travel Transportation	5,000	5,400	3,781	1,619
Materials and Supplies	14,050	14,425	7,523	6,902
Contractual Services	0	500	475	25
Other	5,250	3,975	1,044	2,931
<b>Total Auditor</b>	<b>494,221</b>	<b>494,221</b>	<b>469,277</b>	<b>24,944</b>
<b>Municipal Court</b>				
Personal Services	1,011,392	1,039,826	976,768	63,058
Fringe Benefits	565,336	565,711	534,003	31,708
Travel Transportation	8,050	8,050	4,275	3,775
Materials and Supplies	80,088	83,182	63,778	19,404
Contractual Services	19,950	27,139	10,221	16,918
Capital Outlay	144,374	144,374	35,006	109,368
Other	9,400	10,053	6,766	3,287
<b>Total Municipal Court</b>	<b>1,838,590</b>	<b>1,878,335</b>	<b>1,630,817</b>	<b>247,518</b>

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personal Services	43,750	43,750	41,711	2,039
Fringe Benefits	26,067	26,067	25,088	979
Travel Transportation	1,800	1,730	1,705	25
Materials and Supplies	19,250	20,995	16,401	4,594
Contractual Services	800	6,465	5,843	622
Other	2,100	1,850	1,845	5
Total Civil Service	93,767	100,857	92,593	8,264
Service Department				
Personal Services	87,900	87,943	86,731	1,212
Fringe Benefits	49,784	52,699	52,262	437
Travel Transportation	300	114	97	17
Materials and Supplies	7,650	7,144	4,851	2,293
Contractual Services	2,000	2,692	2,691	1
Other	700	700	0	700
Total Service Department	148,334	151,292	146,632	4,660
Engineering				
Personal Services	303,721	409,612	409,459	153
Fringe Benefits	170,600	187,263	186,951	312
Travel Transportation	12,100	12,972	11,966	1,006
Materials and Supplies	34,625	32,491	23,078	9,413
Contractual Services	62,400	65,287	56,261	9,026
Capital Outlay	0	2,400	2,400	0
Other	8,180	19,018	17,256	1,762
Total Engineering	591,626	729,043	707,371	21,672
Postage and Stores				
Materials and Supplies	80,000	80,000	55,000	25,000
Total Postage and Stores	80,000	80,000	55,000	25,000
Miscellaneous				
Fringe Benefits	26,300	26,300	10,567	15,733
Materials and Supplies	560,691	563,817	401,728	162,089
Contractual Services	214,100	375,600	315,357	60,243
Capital Outlay	56,000	56,000	16,776	39,224
Other	50,100	45,475	41,964	3,511
Total Miscellaneous	907,191	1,067,192	786,392	280,800
Total General Government	6,175,703	6,611,020	5,858,578	752,442
Security of Persons and Property				
Police Department				
Personal Services	2,814,900	2,814,994	2,791,647	23,347
Fringe Benefits	1,248,500	1,237,826	1,193,111	44,715
Travel Transportation	3,500	2,212	427	1,785
Materials and Supplies	187,960	218,920	178,374	40,546
Contractual Services	464,650	475,650	449,471	26,179
Other	34,850	31,850	19,732	12,118
Total Police Department	4,754,360	4,781,452	4,632,762	148,690

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department				
Personal Services	2,829,200	2,848,027	2,737,851	110,176
Fringe Benefits	1,017,600	1,051,474	1,026,551	24,923
Travel Transportation	1,000	2,000	961	1,039
Materials and Supplies	250,050	305,050	226,751	78,299
Contractual Services	24,500	13,000	11,925	1,075
Other	47,857	35,857	29,774	6,083
Total Fire Department	<u>4,170,207</u>	<u>4,255,408</u>	<u>4,033,813</u>	<u>221,595</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	4,757	4,566	191
Fringe Benefits	1,170	1,360	1,252	108
Contractual Services	4,000	4,000	4,000	0
Total Humane Officer	<u>9,170</u>	<u>10,117</u>	<u>9,818</u>	<u>299</u>
School Crossing Guards				
Personal Services	45,000	46,136	44,774	1,362
Fringe Benefits	14,750	13,614	12,586	1,028
Materials and Supplies	450	409	400	9
Other	0	41	41	0
Total School Crossing Guards	<u>60,200</u>	<u>60,200</u>	<u>57,801</u>	<u>2,399</u>
Total Security of Persons and Property	<u>9,000,287</u>	<u>9,113,527</u>	<u>8,740,544</u>	<u>372,983</u>
Transportation				
Streets and Sidewalks				
Materials and Supplies	230,000	245,000	233,773	11,227
Total Streets and Sidewalks	<u>230,000</u>	<u>245,000</u>	<u>233,773</u>	<u>11,227</u>
Total Transportation	<u>230,000</u>	<u>245,000</u>	<u>233,773</u>	<u>11,227</u>
Community Environment				
Planning Commission				
Materials and Supplies	100	100	0	100
Total Planning Commission	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Design and Review				
Materials and Supplies	200	200	85	115
Contractual Services	800	800	0	800
Total Design and Review	<u>1,000</u>	<u>1,000</u>	<u>85</u>	<u>915</u>
Total Community Environment	<u>1,100</u>	<u>1,100</u>	<u>85</u>	<u>1,015</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Refuse Department				
Personal Services	333,200	342,533	337,373	5,160
Fringe Benefits	210,600	227,506	224,689	2,817
Materials and Supplies	62,200	73,050	55,453	17,597
Contractual Services	408,909	408,909	286,339	122,570
Other	16,250	15,400	13,876	1,524
Total Refuse Department	1,031,159	1,067,398	917,730	149,668
Total Basic Utility Services	1,031,159	1,067,398	917,730	149,668
Leisure Time Activities				
Swimming Pool				
Personal Services	58,500	64,000	63,809	191
Fringe Benefits	11,250	13,152	13,152	0
Materials and Supplies	52,937	55,144	48,917	6,227
Contractual Services	5,167	4,100	1,453	2,647
Other	2,025	885	686	199
Total Swimming Pool	129,879	137,281	128,017	9,264
Total Leisure Time Activities	129,879	137,281	128,017	9,264
Total Expenditures	16,568,128	17,175,326	15,878,727	1,296,599
Excess of Revenues Over (Under) Expenditur	(324,178)	(605,229)	1,341,181	1,946,410
<b>Other Financing Sources (Uses)</b>				
Transfers-In	778,200	777,700	729,917	(47,783)
Transfers-Out	(2,009,473)	(2,074,607)	(1,919,317)	155,290
Total Other Sources (Uses)	(1,231,273)	(1,296,907)	(1,189,400)	107,507
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,555,451)	(1,902,136)	151,781	2,053,917
Fund Balances at Beginning of Year	2,274,393	2,274,393	2,274,393	0
Prior Year Encumbrances Appropriated	112,182	112,182	112,182	0
Fund Balances at End of Year	<u>\$831,124</u>	<u>\$484,439</u>	<u>\$2,538,356</u>	<u>\$2,053,917</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$631,000	\$661,000	\$671,685	\$10,685
Charges for Services	237,000	75,000	82,473	7,473
Intergovernmental	2,352,038	2,424,038	2,174,130	(249,908)
Other	27,960	39,960	76,935	36,975
Total Revenue	<u>3,247,998</u>	<u>3,199,998</u>	<u>3,005,223</u>	<u>(194,775)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Bus Transit System				
Personal Services	1,057,450	1,062,148	1,020,229	41,919
Fringe Benefits	496,600	468,302	463,699	4,603
Travel Transportation	500	238	227	11
Materials and Supplies	324,700	420,017	354,351	65,666
Contractual Services	1,132,052	644,040	618,596	25,444
Capital Outlay	196,763	2,021,440	608,050	1,413,390
Other	217,300	217,615	215,081	2,534
Total Transportation	<u>3,425,365</u>	<u>4,833,800</u>	<u>3,280,233</u>	<u>1,553,567</u>
Total Expenditures	<u>3,425,365</u>	<u>4,833,800</u>	<u>3,280,233</u>	<u>1,553,567</u>
Excess of Revenues (Under) Expenditures	(177,367)	(1,633,802)	(275,010)	1,358,792
<b>Other Financing Sources (Uses)</b>				
Issuance of Notes	0	1,400,000	1,400,000	0
Transfers-Out	(39,100)	(36,100)	(21,414)	14,686
Total Other Sources (Uses)	<u>(39,100)</u>	<u>1,363,900</u>	<u>1,378,586</u>	<u>14,686</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(216,467)	(269,902)	1,103,576	1,373,478
Fund Balances at Beginning of Year	251,083	251,083	251,083	0
Prior Year Encumbrances Appropriated	77,951	77,951	77,951	0
Fund Balances at End of Year	<u>\$112,567</u>	<u>\$59,132</u>	<u>\$1,432,610</u>	<u>\$1,373,478</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$960,000	\$972,500	\$966,164	(\$6,336)
Miscellaneous	8,040	8,040	13,323	5,283
Total Revenue	<u>968,040</u>	<u>980,540</u>	<u>979,487</u>	<u>(1,053)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Street Maintenance & Repair				
Personal Services	621,700	655,562	590,213	65,349
Fringe Benefits	330,972	332,989	301,877	31,112
Travel Transportation	100	0	0	0
Materials and Supplies	293,881	309,192	292,889	16,303
Contractual Services	35,500	56,770	56,269	501
Capital Outlay	4,605	1,031,831	1,026,318	5,513
Other	10,100	4,918	4,913	5
Debt Service	228,613	428,613	428,329	284
Total Transportation	<u>1,525,471</u>	<u>2,819,875</u>	<u>2,700,808</u>	<u>119,067</u>
Total Expenditures	<u>1,525,471</u>	<u>2,819,875</u>	<u>2,700,808</u>	<u>119,067</u>
Excess of Revenues (Under) Expenditures	(557,431)	(1,839,335)	(1,721,321)	118,014
<b>Other Financing Sources</b>				
Issuance of Notes	0	1,200,000	1,200,000	0
Transfers-In	350,000	384,144	384,144	0
Total Other Sources	<u>350,000</u>	<u>1,584,144</u>	<u>1,584,144</u>	<u>0</u>
Excess of Revenues and Other Sources (Under) Expenditures	(207,431)	(255,191)	(137,177)	118,014
Fund Balances at Beginning of Year	201,475	201,475	201,475	0
Prior Year Encumbrances Appropriated	53,861	53,861	53,861	0
Fund Balances at End of Year	<u>\$47,905</u>	<u>\$145</u>	<u>\$118,159</u>	<u>\$118,014</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$75,000	\$75,000	\$87,539	\$12,539
Miscellaneous	720	720	911	191
Total Revenue	<u>75,720</u>	<u>75,720</u>	<u>88,450</u>	<u>12,730</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
State Highway Maintenance & Repair				
Personal Services	44,300	42,192	39,064	3,128
Fringe Benefits	31,762	33,870	33,837	33
Total Transportation	<u>76,062</u>	<u>76,062</u>	<u>72,901</u>	<u>3,161</u>
Total Expenditures	<u>76,062</u>	<u>76,062</u>	<u>72,901</u>	<u>3,161</u>
Excess of Revenues Over (Under) Expenditures	(342)	(342)	15,549	15,891
Fund Balances at Beginning of Year	<u>27,888</u>	<u>27,888</u>	<u>27,888</u>	<u>0</u>
Fund Balances at End of Year	<u>\$27,546</u>	<u>\$27,546</u>	<u>\$43,437</u>	<u>\$15,891</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$472,500	\$476,500	\$504,029	\$27,529
Charges for Services	32,000	32,000	41,940	9,940
Other	15,340	15,460	10,348	(5,112)
Total Revenue	<u>519,840</u>	<u>523,960</u>	<u>556,317</u>	<u>32,357</u>
<b>Expenditures</b>				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	379,350	399,937	388,040	11,897
Fringe Benefits	241,831	257,979	253,019	4,960
Travel Transportation	1,200	1,000	83	917
Materials and Supplies	142,000	154,297	115,536	38,761
Contractual Services	6,045	6,330	4,198	2,132
Other	19,425	16,956	7,398	9,558
Total Leisure Time Activities	<u>789,851</u>	<u>836,499</u>	<u>768,274</u>	<u>68,225</u>
Total Expenditures	<u>789,851</u>	<u>836,499</u>	<u>768,274</u>	<u>68,225</u>
Excess of Revenues (Under) Expenditures	(270,011)	(312,539)	(211,957)	100,582
<b>Other Financing Sources (Uses)</b>				
Transfers-In	125,000	135,000	135,000	0
Transfers-Out	(800)	(800)	(665)	135
Total Other Sources (Uses)	<u>124,200</u>	<u>134,200</u>	<u>134,335</u>	<u>135</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(145,811)	(178,339)	(77,622)	100,717
Fund Balances at Beginning of Year	<u>178,877</u>	<u>178,877</u>	<u>178,877</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$33,066</u></u>	<u><u>\$538</u></u>	<u><u>\$101,255</u></u>	<u><u>\$100,717</u></u>

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$250,432	\$309,224	\$257,924	(\$51,300)
Investment Earnings	100	100	149	49
Other	0	4,473	4,473	0
<b>Total Revenue</b>	<u>250,532</u>	<u>313,797</u>	<u>262,546</u>	<u>(51,251)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Materials and Supplies	352,023	313,889	224,874	89,015
Contractual Services	0	101,400	80,000	21,400
<b>Total Community Environment</b>	<u>352,023</u>	<u>415,289</u>	<u>304,874</u>	<u>110,415</u>
<b>Total Expenditures</b>	<u>352,023</u>	<u>415,289</u>	<u>304,874</u>	<u>110,415</u>
Excess of Revenues (Under) Expenditures	(101,491)	(101,492)	(42,328)	59,164
Fund Balances at Beginning of Year	12,339	12,339	12,339	0
Prior Year Encumbrances Appropriated	89,200	89,200	89,200	0
<b>Fund Balances at End of Year</b>	<u>\$48</u>	<u>\$47</u>	<u>\$59,211</u>	<u>\$59,164</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	<u>\$251,426</u>	<u>\$251,426</u>	<u>\$186,001</u>	<u>(\$65,425)</u>
Total Revenue	<u>251,426</u>	<u>251,426</u>	<u>186,001</u>	<u>(65,425)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
State Grants				
Materials and Supplies	0	16,000	1,126	14,874
Contractual Services	<u>57,421</u>	<u>57,421</u>	<u>0</u>	<u>57,421</u>
Total Community Environment	<u>57,421</u>	<u>73,421</u>	<u>1,126</u>	<u>72,295</u>
Total Expenditures	<u>57,421</u>	<u>73,421</u>	<u>1,126</u>	<u>72,295</u>
Excess of Revenues Over Expenditures	194,005	178,005	184,875	6,870
<b>Other Financing (Uses)</b>				
Transfers-Out	<u>(194,005)</u>	<u>(178,005)</u>	<u>(154,672)</u>	<u>23,333</u>
Total Other (Uses)	<u>(194,005)</u>	<u>(178,005)</u>	<u>(154,672)</u>	<u>23,333</u>
Excess of Revenues Over Expenditures and Other Uses	0	0	30,203	30,203
Fund Balances at Beginning of Year	<u>45,086</u>	<u>45,086</u>	<u>45,086</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$45,086</u></u>	<u><u>\$45,086</u></u>	<u><u>\$75,289</u></u>	<u><u>\$30,203</u></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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Materials and Supplies	23,100	31,100	24,391	6,709
Capital Outlay	25,000	25,000	21,710	3,290
Other	250	250	167	83
Total Community Environment	48,350	56,350	46,268	10,082
Total Expenditures	48,350	56,350	46,268	10,082
Excess of Revenues (Under) Expenditures	(48,350)	(56,350)	(46,268)	10,082
<b>Other Financing Sources</b>				
Transfers-In	60,000	60,000	60,000	0
Total Other Sources	60,000	60,000	60,000	0
Excess of Revenues and Other Sources Over Expenditures	11,650	3,650	13,732	10,082
Fund Balances at Beginning of Year	50,058	50,058	50,058	0
Fund Balances at End of Year	\$61,708	\$53,708	\$63,790	\$10,082

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, 2008

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$0	\$0	\$380,896	\$380,896
Total Revenue	0	0	380,896	380,896
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	375,000	375,000	329,917	45,083
Total General Government	375,000	375,000	329,917	45,083
Total Expenditures	375,000	375,000	329,917	45,083
Excess of Revenues Over (Under) Expenditures	(375,000)	(375,000)	50,979	425,979
<b>Other Financing Sources (Uses)</b>				
Transfers-In	175,000	175,000	175,000	0
Advances-In	0	0	114,550	114,550
Transfers-Out	(500,000)	(500,000)	(500,000)	0
Advances-Out	0	(164,800)	(164,800)	0
Total Other Sources (Uses)	(325,000)	(489,800)	(375,250)	114,550
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(700,000)	(864,800)	(324,271)	540,529
Fund Balances at Beginning of Year	959,894	959,894	959,894	0
Fund Balances at End of Year	<u>\$259,894</u>	<u>\$95,094</u>	<u>\$635,623</u>	<u>\$540,529</u>

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$20,000	\$20,000	\$7,662	(\$12,338)
Total Revenue	20,000	20,000	7,662	(12,338)
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education				
Other	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	10,000	10,000	7,662	(2,338)
Fund Balances at Beginning of Year	112,272	112,272	112,272	0
Fund Balances at End of Year	\$122,272	\$122,272	\$119,934	(\$2,338)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$16,000	\$16,000	\$20,584	\$4,584
Total Revenue	16,000	16,000	20,584	4,584
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Alcohol Treatment Contractual Services	5,000	5,000	0	5,000
Total Security of Persons and Property	5,000	5,000	0	5,000
Total Expenditures	5,000	5,000	0	5,000
Excess of Revenues Over Expenditures	11,000	11,000	20,584	9,584
Fund Balances at Beginning of Year	193,848	193,848	193,848	0
Fund Balances at End of Year	\$204,848	\$204,848	\$214,432	\$9,584

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,000	\$3,000	\$3,109	\$109
Total Revenue	3,000	3,000	3,109	109
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education				
Other	10,000	10,000	5,000	5,000
Total Security of Persons and Property	10,000	10,000	5,000	5,000
Total Expenditures	10,000	10,000	5,000	5,000
Excess of Revenues (Under) Expenditures	(7,000)	(7,000)	(1,891)	5,109
Fund Balances at Beginning of Year	7,409	7,409	7,409	0
Fund Balances at End of Year	\$409	\$409	\$5,518	\$5,109

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,361</u>	<u>\$361</u>
Total Revenue	<u>4,000</u>	<u>4,000</u>	<u>4,361</u>	<u>361</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>4,361</u>	<u>5,361</u>
Fund Balances at Beginning of Year	<u>46,576</u>	<u>46,576</u>	<u>46,576</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$45,576</u></u>	<u><u>\$45,576</u></u>	<u><u>\$50,937</u></u>	<u><u>\$5,361</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$49,500	\$49,500	\$41,452	(\$8,048)
Miscellaneous	1,200	1,200	4,203	3,003
Total Revenue	<u>50,700</u>	<u>50,700</u>	<u>45,655</u>	<u>(5,045)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	84,450	84,850	81,215	3,635
Fringe Benefits	50,420	50,020	42,880	7,140
Travel Transportation	0	389	389	0
Materials and Supplies	24,300	25,431	22,696	2,735
Contractual Services	2,100	780	636	144
Capital Outlay	39,084	39,084	25,915	13,169
Other	350	150	28	122
Total Transportation	<u>200,704</u>	<u>200,704</u>	<u>173,759</u>	<u>26,945</u>
Total Expenditures	<u>200,704</u>	<u>200,704</u>	<u>173,759</u>	<u>26,945</u>
Excess of Revenues (Under) Expenditures	(150,004)	(150,004)	(128,104)	21,900
<b>Other Financing Sources (Uses)</b>				
Transfers-In	110,000	110,000	110,000	0
Transfers-Out	(700)	(700)	(326)	374
Total Other Sources (Uses)	<u>109,300</u>	<u>109,300</u>	<u>109,674</u>	<u>374</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(40,704)	(40,704)	(18,430)	22,274
Fund Balances at Beginning of Year	48,450	48,450	48,450	0
Prior Year Encumbrances Appropriated	<u>2,549</u>	<u>2,549</u>	<u>2,549</u>	<u>0</u>
Fund Balances at End of Year	<u>\$10,295</u>	<u>\$10,295</u>	<u>\$32,569</u>	<u>\$22,274</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$125,715	\$130,094	\$117,308	(\$12,786)
Intergovernmental	0	0	13,959	13,959
Other	0	0	21,139	21,139
Total Revenue	<u>125,715</u>	<u>130,094</u>	<u>152,406</u>	<u>22,312</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	475,000	500,000	492,426	7,574
Other	3,000	3,000	2,755	245
Debt Service	9,600	9,600	9,536	64
Total Security of Persons & Property	<u>487,600</u>	<u>512,600</u>	<u>504,717</u>	<u>7,883</u>
Total Expenditures	<u>487,600</u>	<u>512,600</u>	<u>504,717</u>	<u>7,883</u>
Excess of Revenues (Under) Expenditures	(361,885)	(382,506)	(352,311)	30,195
<b>Other Financing Sources</b>				
Transfers-In	<u>450,000</u>	<u>450,000</u>	<u>353,000</u>	<u>(97,000)</u>
Total Other Sources	<u>450,000</u>	<u>450,000</u>	<u>353,000</u>	<u>(97,000)</u>
Excess of Revenues and Other Sources Over Expenditures	88,115	67,494	689	(66,805)
Fund Balances at Beginning of Year	<u>1,105</u>	<u>1,105</u>	<u>1,105</u>	<u>0</u>
Fund Balances at End of Year	<u>\$89,220</u>	<u>\$68,599</u>	<u>\$1,794</u>	<u>(\$66,805)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$125,715	\$130,094	\$117,307	(\$12,787)
Intergovernmental	0	0	13,960	13,960
Other	0	0	21,139	21,139
<b>Total Revenue</b>	<b>125,715</b>	<b>130,094</b>	<b>152,406</b>	<b>22,312</b>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	600,000	632,287	624,265	8,022
Other	3,000	3,000	2,755	245
Debt Service	31,000	31,000	30,128	872
<b>Total Security of Persons &amp; Property</b>	<b>634,000</b>	<b>666,287</b>	<b>657,148</b>	<b>9,139</b>
<b>Total Expenditures</b>	<b>634,000</b>	<b>666,287</b>	<b>657,148</b>	<b>9,139</b>
Excess of Revenues (Under) Expenditures	(508,285)	(536,193)	(504,742)	31,451
<b>Other Financing Sources</b>				
Transfers-In	535,000	535,000	504,000	(31,000)
<b>Total Other Sources</b>	<b>535,000</b>	<b>535,000</b>	<b>504,000</b>	<b>(31,000)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures	26,715	(1,193)	(742)	451
Fund Balances at Beginning of Year	1,193	1,193	1,193	0
Fund Balances at End of Year	<u>\$27,908</u>	<u>\$0</u>	<u>\$451</u>	<u>\$451</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Debt Service:</i>				
Principal Retirement	250,000	250,000	250,000	0
Interest and Fiscal Charges	25,250	25,250	24,875	375
Total Debt Service	275,250	275,250	274,875	375
Total Expenditures	275,250	275,250	274,875	375
Excess of Revenues (Under) Expenditures	(275,250)	(275,250)	(274,875)	375
<b>Other Financing Sources</b>				
Transfers-In	275,250	275,250	275,250	0
Total Other Sources	275,250	275,250	275,250	0
Excess of Revenues and Other Sources Over Expenditures	0	0	375	375
Fund Balances at Beginning of Year	15,951	15,951	15,951	0
Fund Balances at End of Year	\$15,951	\$15,951	\$16,326	\$375

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balances at Beginning of Year	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$32,000</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$220,000	\$440,800	\$200,230	(\$240,570)
Total Revenue	220,000	440,800	200,230	(240,570)
<b>Expenditures</b>				
<i>Capital Outlay</i>				
Capital Outlay	220,000	440,800	200,230	240,570
Total Capital Outlay	220,000	440,800	200,230	240,570
Total Expenditures	220,000	440,800	200,230	240,570
Excess of Revenues Over Expenditures	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$631,000	\$631,000	\$671,685	\$40,685
Intergovernmental	0	0	6,297	6,297
Miscellaneous	0	0	6,089	6,089
Total Revenue	<u>631,000</u>	<u>631,000</u>	<u>684,071</u>	<u>53,071</u>
<b>Expenditures</b>				
Capital Outlay				
Materials & Supplies	6,865	6,865	4,711	2,154
Other	2,500	2,500	1,986	514
Capital Outlay	276,345	314,260	279,956	34,304
Debt Service	224,000	624,000	623,934	66
Total Capital Outlay	<u>509,710</u>	<u>947,625</u>	<u>910,587</u>	<u>37,038</u>
Total Expenditures	<u>509,710</u>	<u>947,625</u>	<u>910,587</u>	<u>37,038</u>
Excess of Revenues Over (Under) Expenditures	121,290	(316,625)	(226,516)	90,109
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	0	0	17,892	17,892
Issuance of Notes	0	400,000	400,000	0
Transfers-Out	(239,577)	(239,577)	(221,982)	17,595
Total Other Sources (Uses)	<u>(239,577)</u>	<u>160,423</u>	<u>195,910</u>	<u>35,487</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(118,287)	(156,202)	(30,606)	125,596
Fund Balances at Beginning of Year	385,939	385,939	385,939	0
Prior Year Encumbrances Appropriated	<u>6,865</u>	<u>6,865</u>	<u>6,865</u>	<u>0</u>
Fund Balances at End of Year	<u>\$274,517</u>	<u>\$236,602</u>	<u>\$362,198</u>	<u>\$125,596</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	73,190	113,190	95,754	17,436
Total Capital Outlay	73,190	113,190	95,754	17,436
Total Expenditures	73,190	113,190	95,754	17,436
Excess of Revenues (Under) Expenditures	(73,190)	(113,190)	(95,754)	17,436
<b>Other Financing Sources</b>				
Transfers-In	50,000	90,000	90,000	0
Total Other Sources	50,000	90,000	90,000	0
Excess of Revenues and Other Sources (Under) Expenditures	(23,190)	(23,190)	(5,754)	17,436
Fund Balances at Beginning of Year	26,439	26,439	26,439	0
Prior Year Encumbrances Appropriated	4,190	4,190	4,190	0
Fund Balances at End of Year	<u>\$7,439</u>	<u>\$7,439</u>	<u>\$24,875</u>	<u>\$17,436</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$157,500	\$157,500	\$167,656	\$10,156
Intergovernmental	0	1,098,250	104,747	(993,503)
Miscellaneous	1,800	1,800	12,670	10,870
Total Revenue	<u>159,300</u>	<u>1,257,550</u>	<u>285,073</u>	<u>(972,477)</u>
<b>Expenditures</b>				
Capital Outlay				
Materials and Supplies	11,500	11,500	7,305	4,195
Contractual Services	0	5,000	5,000	0
Capital Outlay	<u>321,965</u>	<u>1,622,488</u>	<u>601,562</u>	<u>1,020,926</u>
Total Capital Outlay	<u>333,465</u>	<u>1,638,988</u>	<u>613,867</u>	<u>1,025,121</u>
Total Expenditures	<u>333,465</u>	<u>1,638,988</u>	<u>613,867</u>	<u>1,025,121</u>
Excess of Revenues (Under) Expenditures	(174,165)	(381,438)	(328,794)	52,644
<b>Other Financing Sources (Uses)</b>				
Advances-In	0	164,800	164,800	0
Transfers-Out	(38,800)	(22,500)	(21,205)	1,295
Advances-Out	<u>0</u>	<u>(114,550)</u>	<u>(114,550)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(38,800)</u>	<u>27,750</u>	<u>29,045</u>	<u>1,295</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(212,965)	(353,688)	(299,749)	53,939
Fund Balances at Beginning of Year	<u>360,068</u>	<u>360,068</u>	<u>360,068</u>	<u>0</u>
Fund Balances at End of Year	<u>\$147,103</u>	<u>\$6,380</u>	<u>\$60,319</u>	<u>\$53,939</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	17,836	21,536	20,408	1,128
Total Capital Outlay	17,836	21,536	20,408	1,128
Total Expenditures	17,836	21,536	20,408	1,128
Excess of Revenues (Under) Expenditures	(17,836)	(21,536)	(20,408)	1,128
<b>Other Financing Sources</b>				
Transfers-In	0	0	3,700	3,700
Total Other Sources	0	0	3,700	3,700
Excess of Revenues and Other Sources (Under) Expenditures	(17,836)	(21,536)	(16,708)	4,828
Fund Balances at Beginning of Year	21,287	21,287	21,287	0
Prior Year Encumbrances Appropriated	7,836	7,836	7,836	0
Fund Balances at End of Year	\$11,287	\$7,587	\$12,415	\$4,828

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment Earnings	\$20	\$20	\$40	\$20
Total Revenue	20	20	40	20
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Other	1,200	1,200	0	1,200
Total Expenditures	1,200	1,200	0	1,200
Excess of Revenues Over (Under) Expenditures	(1,180)	(1,180)	40	1,220
Fund Balances at Beginning of Year	3,107	3,107	3,107	0
Fund Balances at End of Year	\$1,927	\$1,927	\$3,147	\$1,220

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## **CITY OF CHILLICOTHE, OHIO**

### **ENTERPRISE FUNDS**

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$4,275,000	\$4,575,000	\$4,393,240	(\$181,760)
Other Operating Revenue	22,200	22,200	119,350	97,150
Total Revenue	<u>4,297,200</u>	<u>4,597,200</u>	<u>4,512,590</u>	<u>(84,610)</u>
<b>Expenses</b>				
<i>Current:</i>				
Personal Services	1,048,370	1,112,820	1,089,691	23,129
Fringe Benefits	607,116	648,134	645,283	2,851
Travel Transportation	600	1,800	1,135	665
Contractual Services	203,721	187,484	149,666	37,818
Materials and Supplies	672,760	854,036	763,363	90,673
Other Operating Expenses	551,110	576,500	567,385	9,115
Capital Outlay	812,756	1,053,462	799,584	253,878
<i>Debt Service:</i>				
Principal Retirement	1,285,000	1,285,000	1,285,000	0
Interest and Fiscal Charges	303,000	303,000	302,737	263
Total Expenditures	<u>5,484,433</u>	<u>6,022,236</u>	<u>5,603,844</u>	<u>418,392</u>
Excess of Revenues (Under) Expenditures	(1,187,233)	(1,425,036)	(1,091,254)	333,782
<b>Other Financing Sources (Uses)</b>				
Interest	44,000	44,000	30,930	(13,070)
Transfers-Out	(6,255)	(6,255)	(5,183)	1,072
Total Other Sources (Uses)	<u>37,745</u>	<u>37,745</u>	<u>25,747</u>	<u>(11,998)</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(1,149,488)	(1,387,291)	(1,065,507)	321,784
Fund Equity at Beginning of Year	6,066,250	6,066,250	6,066,250	0
Prior Year Encumbrances Appropriated	<u>4,721</u>	<u>4,721</u>	<u>4,721</u>	<u>0</u>
Fund Equity at End of Year	<u>\$4,921,483</u>	<u>\$4,683,680</u>	<u>\$5,005,464</u>	<u>\$321,784</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$3,016,000	\$3,216,000	\$3,236,681	\$20,681
Other Operating Revenues	12,660	12,660	29,400	16,740
Total Revenue	<u>3,028,660</u>	<u>3,228,660</u>	<u>3,266,081</u>	<u>37,421</u>
<b>Expenses</b>				
<i>Current:</i>				
Personal Services	953,920	1,012,027	1,012,027	0
Fringe Benefits	537,442	574,612	574,608	4
Travel Transportation	550	550	0	550
Contractual Services	75,196	109,396	87,430	21,966
Materials and Supplies	386,465	417,672	370,313	47,359
Other Operating Expenses	383,920	382,604	375,981	6,623
Capital Outlay	648,996	693,928	231,120	462,808
<i>Debt Service:</i>				
Principal Retirement	350,000	350,000	350,000	0
Interest and Fiscal Charges	76,000	76,000	75,132	868
Total Expenses	<u>3,412,489</u>	<u>3,616,789</u>	<u>3,076,611</u>	<u>540,178</u>
Excess of Revenues Over (Under) Expenditures	(383,829)	(388,129)	189,470	577,599
<b>Other Financing Sources (Uses)</b>				
Interest	8,000	8,000	6,885	(1,115)
Transfers-In	30,000	30,000	30,000	0
Transfers-Out	(6,350)	(6,350)	(5,246)	1,104
Total Other Sources (Uses)	<u>31,650</u>	<u>31,650</u>	<u>31,639</u>	<u>(11)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(352,179)	(356,479)	221,109	577,588
Fund Equity at Beginning of Year	3,481,257	3,481,257	3,481,257	0
Prior Year Encumbrances Appropriated	5,448	5,448	5,448	0
Fund Equity at End of Year	<u>\$3,134,526</u>	<u>\$3,130,226</u>	<u>\$3,707,814</u>	<u>\$577,588</u>

## **CITY OF CHILLICOTHE, OHIO**

### **FIDUCIARY FUNDS PRIVATE PURPOSE TRUST FUND**

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

#### **Unclaimed Monies Fund**

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

### **AGENCY FUNDS**

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

#### **Court Agency Fund**

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

#### **Deposits Agency Fund**

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	<u>\$17,000</u>	<u>\$17,000</u>	<u>\$7,717</u>	<u>(\$9,283)</u>
Total Revenue	<u>17,000</u>	<u>17,000</u>	<u>7,717</u>	<u>(9,283)</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Unclaimed Monies				
Other	<u>1,000</u>	<u>1,000</u>	<u>130</u>	<u>870</u>
Total General Government	<u>1,000</u>	<u>1,000</u>	<u>130</u>	<u>870</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>130</u>	<u>870</u>
Excess of Revenues Over Expenditures	16,000	16,000	7,587	(8,413)
<b>Other Financing (Uses)</b>				
Transfers-Out	<u>(17,500)</u>	<u>(17,500)</u>	<u>(16,918)</u>	<u>582</u>
Total Other Financing (Uses)	<u>(17,500)</u>	<u>(17,500)</u>	<u>(16,918)</u>	<u>582</u>
Excess of Revenues (Under) Expenditures and Other Financing Uses	(1,500)	(1,500)	(9,331)	(7,831)
Fund Balances at Beginning of Year	<u>34,258</u>	<u>34,258</u>	<u>34,258</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$32,758</u></u>	<u><u>\$32,758</u></u>	<u><u>\$24,927</u></u>	<u><u>(\$7,831)</u></u>



City of Chillicothe, Ohio

Statement of Changes in Assets & Liabilities  
Agency Funds

For the Year Ended December 31, 2008

	Balance 1/1/2008	Additions	Reductions	Balance 12/31/2008
<b>Deposits Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$43,338	\$3,545	\$16,429	\$30,454
Total Assets	<u>\$43,338</u>	<u>\$3,545</u>	<u>\$16,429</u>	<u>\$30,454</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$43,338	\$3,545	\$16,429	\$30,454
Total Liabilities	<u>\$43,338</u>	<u>\$3,545</u>	<u>\$16,429</u>	<u>\$30,454</u>
<b>Municipal Court Agency</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$285,248	\$2,047,526	\$2,034,764	\$298,010
Total Assets	<u>\$285,248</u>	<u>\$2,047,526</u>	<u>\$2,034,764</u>	<u>\$298,010</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$40,055	\$782,370	\$771,877	\$50,548
Undistributed Monies	241,245	343,343	339,013	245,575
Deposits Held and Due to Others	3,948	921,813	923,874	1,887
Total Liabilities	<u>\$285,248</u>	<u>\$2,047,526</u>	<u>\$2,034,764</u>	<u>\$298,010</u>
<b>Total Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$43,338	\$3,545	\$16,429	\$30,454
Cash and Cash Equivalents in Segregated Accounts	285,248	2,047,526	2,034,764	298,010
Total Assets	<u>\$328,586</u>	<u>\$2,051,071</u>	<u>\$2,051,193</u>	<u>\$328,464</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$40,055	\$782,370	\$771,877	\$50,548
Undistributed Monies	241,245	343,343	339,013	245,575
Deposits Held and Due to Others	47,286	925,358	940,303	32,341
Total Liabilities	<u>\$328,586</u>	<u>\$2,051,071</u>	<u>\$2,051,193</u>	<u>\$328,464</u>

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# Statistical Section

This part of the City's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health..

## **Contents**

## **Page(s)**

### **Financial Trends**

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

119-123

### **Revenue Capacity**

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

124-128

### **Debt Capacity**

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

129-134

### **Economic and Demographic Information**

This schedule offers economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

135-136

### **Operating Information**

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

137-141

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

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

	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>							
Invested in Capital Assets, Net of Related Debt	\$48,771,086	\$47,457,882	\$44,886,857	\$43,667,909	\$42,148,445	\$39,625,809	\$38,608,281
<i>Restricted:</i>							
Debt Service	104,236	62,044	0	0	0	0	0
Capital Projects	769,089	697,867	781,247	852,087	860,236	749,643	1,007,274
<i>Permanent Fund:</i>							
Expendable	1,927	1,967	1,987	2,027	2,067	2,107	2,147
Nonexpendable	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Street Construction, Maintenance and Repair	0	0	0	0	241,458	500,525	402,192
Bus Transit	0	0	0	398,195	537,217	210,363	319,668
Housing and Urban Development Program	0	0	0	353,292	564,022	355,957	602,453
Other Purposes	2,405,852	2,586,624	3,613,428	1,025,505	1,194,703	1,896,031	1,801,592
Unrestricted	163,231	(924,831)	241,677	1,001,156	1,666,778	1,050,438	1,105,720
<b>Total Governmental Activities Net Assets</b>	<b>\$52,216,421</b>	<b>\$49,882,553</b>	<b>\$49,526,196</b>	<b>\$47,301,171</b>	<b>\$47,215,926</b>	<b>\$44,391,873</b>	<b>\$43,850,327</b>
<b>Business Type - Activities</b>							
Invested in Capital Assets, Net of Related Debt	\$25,822,287	\$25,500,895	\$28,017,313	\$28,629,701	\$29,514,918	\$30,375,860	\$31,628,281
<i>Restricted:</i>							
Debt Service	1,818,776	1,655,677	1,949,546	2,008,181	1,784,142	1,902,831	1,652,563
Capital Projects	3,603,889	3,138,244	3,089,391	1,817,822	1,712,772	1,818,467	1,818,467
Unrestricted	5,490,947	6,026,541	4,775,818	5,867,063	5,964,273	6,045,463	5,481,570
<b>Total Business-Type Activities Net Assets</b>	<b>\$36,735,899</b>	<b>\$36,321,357</b>	<b>\$37,832,068</b>	<b>\$38,322,767</b>	<b>\$38,976,105</b>	<b>\$40,142,621</b>	<b>\$40,580,881</b>
<b>Primary Government</b>							
Invested in Capital Assets, Net of Related Debt	\$74,593,373	\$72,958,777	\$72,904,170	\$72,297,610	\$71,663,363	\$70,001,669	\$70,236,562
Restricted	8,704,769	8,143,423	9,436,599	6,458,109	6,897,617	7,436,924	7,607,356
Unrestricted	5,654,178	5,101,710	5,017,495	6,868,219	7,631,051	7,095,901	6,587,290
<b>Total Primary Government Net Assets</b>	<b>\$88,952,320</b>	<b>\$86,203,910</b>	<b>\$87,358,264</b>	<b>\$85,623,938</b>	<b>\$86,192,031</b>	<b>\$84,534,494</b>	<b>\$84,431,208</b>

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

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

continued

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

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

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$147,330	\$166,329	\$79,720	\$55,586	\$11,247	\$20,601	\$234,274	\$200,693	\$217,361	\$112,003
Unreserved	4,038,814	4,099,131	4,475,366	3,471,774	2,816,514	3,056,578	3,460,144	3,801,025	3,274,545	4,463,107
Total General Fund	4,186,144	4,265,460	4,555,086	3,527,360	2,827,761	3,077,179	3,694,418	4,001,718	3,491,906	4,575,110
<b>All Other Governmental Funds</b>										
Reserved	166,458	522,645	340,879	190,008	401,296	499,208	696,053	768,321	243,570	1,595,859
<i>Unreserved, Undesignated, Reported in:</i>										
Special Revenue Funds	1,784,043	1,485,493	1,809,394	2,371,259	1,863,049	1,059,228	971,065	1,701,632	2,138,285	581,784
Debt Service Funds	78,705	92,536	99,783	104,236	66,044	12,150	12,669	13,085	15,950	16,325
Capital Projects Funds	676,923	723,786	716,408	751,585	466,840	752,059	484,927	810,503	528,189	572,514
Permanent Funds	3,750	3,810	2,887	2,927	1,967	1,987	2,027	2,067	2,107	2,147
Total All Other Governmental Funds	2,709,879	2,828,270	2,969,351	3,420,015	2,799,196	2,324,632	2,166,741	3,295,608	2,928,101	2,768,629
<b>Total Governmental Funds</b>	<b>\$6,896,023</b>	<b>\$7,093,730</b>	<b>\$7,524,437</b>	<b>\$6,947,375</b>	<b>\$5,626,957</b>	<b>\$5,401,811</b>	<b>\$5,861,159</b>	<b>\$7,297,326</b>	<b>\$6,420,007</b>	<b>\$7,343,739</b>



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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Property Taxes	\$1,428,556	\$1,462,864	\$1,495,125	\$1,338,358	\$1,398,276	\$1,403,530	\$1,471,716	\$1,430,536	\$1,326,120	\$1,215,794
Municipal Income Taxes	8,978,397	9,220,838	9,555,524	9,560,787	9,415,341	10,020,765	10,209,835	10,075,395	10,473,453	10,718,814
Other Taxes	0	0	0	167,670	171,124	175,024	164,990	420,586	249,109	190,237
Charges for Services	1,666,596	1,646,356	1,715,355	2,211,337	2,732,346	2,878,583	2,928,451	2,135,699	2,386,542	2,212,147
Fines, Licenses and Permits	1,481,959	1,503,614	1,600,285	4,451,859	3,077,953	3,153,361	3,313,382	1,372,056	1,556,251	2,003,958
Intergovernmental	3,707,165	3,808,469	4,033,644	4,357,747	4,210,207	5,332,461	4,279,833	5,685,333	5,439,441	6,625,215
Special Assessments	130,183	123,662	12,628	3,689	3,430	5,222	7,871	5,017	19,934	21,631
Investment Earnings	662,905	948,055	690,107	266,635	144,920	146,091	302,373	544,065	656,517	358,230
Miscellaneous	397,458	674,489	407,108	308,983	564,002	837,783	526,713	733,004	431,371	653,732
<b>Total Revenues</b>	<b>18,453,219</b>	<b>19,388,347</b>	<b>19,509,776</b>	<b>22,667,065</b>	<b>21,717,599</b>	<b>23,952,820</b>	<b>23,205,164</b>	<b>22,401,691</b>	<b>22,538,738</b>	<b>23,999,758</b>
<b>Expenditures</b>										
<i>Current:</i>										
General Government	4,743,515	4,852,165	5,186,334	8,253,668	7,393,976	7,151,308	7,225,043	4,629,603	5,005,119	5,149,587
<i>Security of Persons and Property:</i>										
Police	7,265,341	7,749,666	7,863,743	4,466,763	4,521,095	4,702,257	4,159,841	4,535,032	5,013,183	5,198,129
Fire	0	0	0	4,009,416	4,190,877	4,291,686	4,134,698	4,182,352	4,563,369	4,687,957
Transportation	2,951,151	3,144,877	3,021,633	3,336,160	3,439,101	4,324,254	3,759,348	4,306,075	4,643,236	4,688,758
Community Environment	296,156	601,779	433,672	533,551	701,489	388,920	791,855	382,103	489,853	352,345
Basic Utilities Services	963,720	1,018,359	1,038,420	893,911	890,736	916,882	806,492	1,009,378	1,069,275	946,803
Leisure Time Activities	680,082	708,576	730,341	771,929	822,761	830,216	776,363	788,703	900,563	866,912
Capital Outlay	760,693	602,319	508,306	616,504	525,325	1,210,634	646,646	1,156,485	1,599,605	356,415
<i>Debt Service:</i>										
Principal Retirement	967,728	454,065	357,325	371,064	2,331,034	294,295	306,305	321,075	721,505	726,220
Interest and Fiscal Charges	226,994	218,819	202,167	181,762	270,936	96,666	102,493	103,578	93,755	126,952
<b>Total Expenditures</b>	<b>18,855,380</b>	<b>19,350,625</b>	<b>19,341,941</b>	<b>23,434,728</b>	<b>25,087,330</b>	<b>24,207,118</b>	<b>22,709,084</b>	<b>21,414,384</b>	<b>24,099,463</b>	<b>23,100,078</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(402,161)</i>	<i>37,722</i>	<i>167,835</i>	<i>(767,663)</i>	<i>(3,369,731)</i>	<i>(254,298)</i>	<i>496,080</i>	<i>987,307</i>	<i>(1,560,725)</i>	<i>899,680</i>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	14,343	24,086	1,505	2,260	40,038	0	0	4,492	29,727	0
General Obligation Bonds Issues	575,000	0	0	0	2,125,000	0	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0	16,642	0	0	0	0	0
Issuance of Notes	0	0	0	0	0	0	0	400,000	600,000	200,000
Insurance Recoveries	0	0	0	0	0	0	0	0	0	17,892
Proceeds from Loan	0	0	0	0	0	0	126,126	0	0	0
Inception of Capital Lease	23,600	156,658	36,297	2,000	12,228	55,181	69,106	61,035	71,885	25,731
Transfers In	4,481,160	3,672,531	2,845,423	2,776,849	2,702,138	2,144,023	2,459,970	2,750,793	2,239,304	2,820,011
Transfers Out	(4,505,370)	(3,696,480)	(2,868,985)	(2,782,255)	(2,850,733)	(2,166,052)	(2,482,030)	(2,767,460)	(2,257,510)	(2,839,582)
<b>Total Other Financing Sources (Uses)</b>	<b>588,733</b>	<b>156,795</b>	<b>14,240</b>	<b>(1,146)</b>	<b>2,045,313</b>	<b>33,152</b>	<b>173,172</b>	<b>448,860</b>	<b>683,406</b>	<b>224,052</b>
<b>Net Change in Fund Balances</b>	<b>\$186,572</b>	<b>\$194,517</b>	<b>\$182,075</b>	<b>(\$768,809)</b>	<b>(\$1,324,418)</b>	<b>(\$221,146)</b>	<b>\$669,252</b>	<b>\$1,436,167</b>	<b>(\$877,319)</b>	<b>\$1,123,732</b>
Debt Service as a Percentage of Noncapital Expenditures	6.6%	3.6%	3.0%	2.4%	10.6%	1.7%	1.9%	2.1%	3.6%	3.8%

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

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

Collection Year	Real Property		Tangible Personal Property		Tangible Personal Property		Total		Ratio	Direct Rate
	Assessed Value	Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
	Residential/ Agricultural		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
1999	\$273,952,180	\$782,720,514	\$25,596,250	\$29,086,648	\$133,939,782	\$535,759,128	\$433,488,212	\$1,347,566,290	32.17%	3.80
2000	277,047,580	791,564,514	25,226,420	28,666,386	138,200,360	552,801,440	440,474,360	1,373,032,341	32.08%	3.80
2001	281,716,700	804,904,857	26,229,520	29,806,273	134,758,760	539,035,040	442,704,980	1,373,746,170	32.23%	3.80
2002	317,916,300	908,332,286	22,138,160	25,157,000	126,066,490	504,265,960	466,120,950	1,437,755,246	32.42%	3.80
2003	320,113,840	914,610,971	25,010,810	28,421,375	136,569,160	546,276,640	481,693,810	1,489,308,986	32.34%	3.80
2004	325,706,610	930,590,314	21,397,510	24,315,352	99,150,970	396,603,880	446,255,090	1,351,509,547	33.02%	3.80
2005	356,696,600	1,019,133,143	21,343,390	24,253,852	88,563,590	354,254,360	466,603,580	1,397,641,355	33.39%	3.80
2006	359,476,340	1,027,075,257	19,197,300	21,815,114	60,785,720	324,190,507	439,459,360	1,373,080,878	32.01%	3.80
2007	361,865,550	1,033,901,571	18,246,050	20,734,148	38,150,840	305,206,720	418,262,440	1,359,842,439	30.76%	4.80
2008	398,492,350	1,138,549,571	14,169,310	16,101,489	15,581,790	249,308,640	428,243,450	1,403,959,700	30.50%	4.80

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

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

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

Source: Ross County Auditor

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>City of Chillicothe Millage</b>										
Operating	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20
<i>Total City Millage</i>	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20
<b>Ross County Millage</b>										
Operating	9.40	9.40	9.40	9.40	9.40	9.80	10.40	10.40	10.40	10.60
<i>Total County Millage</i>	9.40	9.40	9.40	9.40	9.40	9.80	10.40	10.40	10.40	10.60
<b>Chillicothe City School District Millage</b>										
Operating	37.70	37.70	37.70	37.70	37.70	37.70	40.20	46.20	46.20	46.20
Debt Service	0.10	0.04	0.00	0.00	0.00	0.00	4.47	4.47	4.47	4.47
<i>Total School Millage</i>	37.80	37.74	37.70	37.70	37.70	37.70	44.67	50.67	50.67	50.67
<b>Other Millage</b>										
Operating	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	4.80	4.80
<i>Total Other Millage</i>	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	4.80	4.80
<b>Total Millage</b>	<u>54.20</u>	<u>54.14</u>	<u>54.10</u>	<u>54.10</u>	<u>54.10</u>	<u>54.50</u>	<u>62.07</u>	<u>68.07</u>	<u>70.07</u>	<u>70.27</u>

**Overlapping Rates by Taxing District**

Source: Ross County Auditor

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

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

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

Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Total Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
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%
2004	1,403,152	1,362,926	97.13%	36,425	1,399,351	99.73%	51,693	3.68%
2005	1,462,582	1,427,113	97.57%	35,811	1,462,924	100.02%	46,670	3.19%
2006	1,372,991	1,339,805	97.58%	38,675	1,378,483	100.40%	52,481	3.82%
2007	1,308,996	1,282,064	97.94%	40,662	1,326,388	101.33%	59,173	4.52%
2008	1,328,749	1,289,316	97.03%	56,208	1,345,524	101.26%	55,618	4.19%

Source: Ross County Auditor

City of Chillicothe, Ohio  
Principal Taxpayers - Real Estate Tax  
2008 and 1999

2008		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$22,869,130	5.73%
DDR Chillicothe LLC	4,471,030	1.12%
Chillicothe Mall	4,185,670	1.05%
Central Center	3,101,500	0.78%
PPG Industries, Inc	2,911,100	0.73%
Sam's Real Estate Business	2,629,020	0.66%
Zane Plaza	2,360,590	0.59%
Kmart Corporation	2,311,240	0.58%
Traditions at Chillicothe	1,669,940	0.42%
QNP Corporation	1,572,630	0.40%
<b>Total</b>	<b>\$48,081,850</b>	<b>12.06%</b>
<b>Total Assessed Valuation</b>	<b>\$398,492,350</b>	

1999		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Mead Corporation	\$26,013,610	9.50%
Developers Diversified Realty	3,102,420	1.13%
Chillicothe Mall	2,731,250	1.00%
Central Center LTD	2,353,090	0.86%
Real Estate Finance Trust	2,175,600	0.79%
PPG Industries, Inc	2,143,590	0.78%
Shawnee Group LTD Partnership	2,115,170	0.77%
RG Chilli Associates LTD	1,497,290	0.55%
Horizon Telcom, Inc	1,494,530	0.55%
ABCO Land Development	1,349,640	0.49%
<b>Total</b>	<b>\$44,976,190</b>	<b>16.42%</b>
<b>Total Assessed Valuation</b>	<b>\$273,952,182</b>	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

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

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

Source: City Income Tax Department

Information prior to 2001 is not available

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

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

YEAR	Governmental Activities				Business-Type Activities			TOTAL DEBT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OPWC LOANS	CAPITAL LEASES	GENERAL OBLIGATION BONDS	MORTGAGE REVENUE BONDS	OWDA LOANS			
1999	\$3,500,000	\$110,000	\$0	\$75,120	\$0	\$16,130,000	\$286,661	\$20,101,781	7.06%	\$885
2000	3,210,000	0	0	177,713	0	15,290,000	210,046	18,887,759	6.84%	857
2001	2,895,000	0	0	171,685	0	14,410,000	129,313	17,605,998	6.38%	799
2002	2,570,000	0	0	127,621	0	13,490,000	44,242	16,231,863	3.73%	712
2003	2,405,000	0	0	98,815	2,095,000	12,560,000	0	17,158,815	4.12%	787
2004	2,160,000	0	0	137,758	2,020,000	11,490,000	0	15,807,758	3.80%	725
2005	1,915,000	0	113,513	154,650	1,935,000	10,330,000	0	14,448,163	2.87%	663
2006	1,660,000	0	100,900	162,223	1,855,000	9,145,000	0	12,923,123	2.56%	593
2007	1,405,000	0	88,287	141,498	1,770,000	7,925,000	0	11,329,785	2.72%	520
2008	1,140,000	0	75,675	117,598	1,685,000	6,675,000	0	9,693,273	2.33%	445

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

YEAR	POPULATION (1)	ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (2)	GROSS BONDED DEBT (3)	RATIO OF NET BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	NET BONDED DEBT PER CAPITA
1999	22,726	\$1,347,566,290	\$19,630,000	1.46%	\$864
2000	22,041	1,373,032,340	18,500,000	1.35%	839
2001	22,041	1,373,746,170	17,305,000	1.26%	785
2002	21,796	1,458,766,328	16,060,000	1.10%	737
2003	21,796	1,536,811,302	17,060,000	1.11%	783
2004	21,796	1,385,996,840	15,670,000	1.13%	719
2005	21,796	1,428,446,081	14,180,000	0.99%	651
2006	21,796	1,373,080,878	12,660,000	0.92%	581
2007	21,796	1,359,842,439	11,100,000	0.82%	509
2008	21,796	1,403,959,700	9,500,000	0.68%	436

Sources:

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

(2) Ross County Auditor

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



CITY OF CHILLICOTHE, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2008

JURISDICTION	GOVERNMENTAL ACTIVITIES DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY (1)	AMOUNT APPLICABLE TO CITY
<b>DIRECT - CITY OF CHILLICOTHE</b>			
GENERAL OBLIGATION BONDS	\$705,000	100.00%	\$705,000
OPWC LOANS	75,675	100.00%	75,675
CAPITAL LEASES	117,598	100.00%	117,598
POLICE AND FIRE PENSION BONDS	435,000	100.00%	435,000
GENERAL OBLIGATION NOTES	3,000,000	100.00%	3,000,000
TOTAL DIRECT DEBT	<u>4,333,273</u>		<u>4,333,273</u>
<b>OVERLAPPING</b>			
ROSS COUNTY	\$10,316,228	37.50%	\$3,868,586
CHILLICOTHE CITY SCHOOLS	32,629,240	92.50%	30,182,047
UNION-SCIOTO LOCAL SCHOOLS	3,203,730	17.91%	573,788
SOUTHEASTERN LOCAL SCHOOLS	2,727,337	3.99%	108,821
ZANE TRACE LOCAL SCHOOLS	2,922,305	0.86%	25,132
SPRINGFIELD TOWNSHIP	108,500	3.10%	3,364
TOTAL OVERLAPPING DEBT	<u>51,907,340</u>		<u>34,761,738</u>
TOTAL	<u><u>\$56,240,613</u></u>		<u><u>\$39,095,011</u></u>

Source: Chillicothe City Auditor/ Ross County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

CITY OF CHILLICOTHE, OHIO  
LEGAL DEBT MARGIN  
LAST TEN YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Assessed Property Value	<u>\$433,488,212</u>	<u>\$440,474,360</u>	<u>\$442,704,980</u>	<u>\$466,120,950</u>	<u>\$481,693,810</u>	<u>\$446,255,090</u>	<u>\$466,603,580</u>	<u>\$439,459,360</u>	<u>\$418,262,440</u>	<u>\$428,243,450</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>45,516,262</u>	<u>46,249,808</u>	<u>46,484,023</u>	<u>48,942,700</u>	<u>50,577,850</u>	<u>46,856,784</u>	<u>48,993,376</u>	<u>46,143,233</u>	<u>43,917,556</u>	<u>44,965,562</u>
Debt Outstanding:										
General Obligation Bonds	3,500,000	3,210,000	2,895,000	2,570,000	2,405,000	2,160,000	1,915,000	1,660,000	1,405,000	1,140,000
General Obligation Bonds - Enterprise	0	0	0	13,490,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000	1,685,000
General Obligation Revenue Bonds	16,130,000	15,290,000	14,410,000	0	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000	6,675,000
OWDA Loans	286,661	210,046	129,313	44,242	0	0	0	0	0	0
OPWC Loans	0	0	0	0	0	0	113,513	100,900	88,287	75,675
Special Assessment Bonds	110,000	0	0	0	0	0	0	0	0	0
Notes Payable	<u>1,175,000</u>	<u>3,950,000</u>	<u>3,725,000</u>	<u>3,500,000</u>	<u>2,000,000</u>	<u>2,200,000</u>	<u>1,700,000</u>	<u>1,200,000</u>	<u>1,300,000</u>	<u>3,000,000</u>
Total Gross Indebtedness	21,201,661	22,660,046	21,159,313	19,604,242	19,060,000	17,870,000	15,993,513	13,960,900	12,488,287	12,575,675
Less:										
Notes Payable from Governmental Fund Revenues	0	0	0	0	0	1,000,000	800,000	600,000	400,000	2,800,000
Revenue Bonds Payable from Enterprise Fund Revenues	16,130,000	15,290,000	14,410,000	13,490,000	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000	6,675,000
G.O. Bonds Payable from Enterprise Fund Revenues	1,175,000	3,950,000	3,725,000	3,500,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000	1,685,000
Notes Payable from Enterprise Fund Revenues	286,661	210,046	129,313	44,242	2,000,000	1,200,000	900,000	600,000	300,000	0
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0	0	0	113,513	100,900	88,287	75,675
Special Assessment Bonds	110,000	0	0	0	0	0	0	0	0	0
Bond Retirement Fund Balance	<u>78,705</u>	<u>92,536</u>	<u>99,783</u>	<u>104,236</u>	<u>62,044</u>	<u>12,150</u>	<u>12,669</u>	<u>13,086</u>	<u>15,950</u>	<u>16,326</u>
Total Net Debt Applicable to Debt Limit	<u>3,421,295</u>	<u>3,117,464</u>	<u>2,795,217</u>	<u>2,465,764</u>	<u>2,342,956</u>	<u>2,147,850</u>	<u>1,902,331</u>	<u>1,646,914</u>	<u>1,989,050</u>	<u>1,323,674</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$42,094,967</u>	<u>\$43,132,344</u>	<u>\$43,688,806</u>	<u>\$46,476,936</u>	<u>\$48,234,894</u>	<u>\$44,708,934</u>	<u>\$47,091,045</u>	<u>\$44,496,319</u>	<u>\$41,928,506</u>	<u>\$43,641,888</u>
Legal Debt Margin as a Percentage of the Debt Limit	92.48%	93.26%	93.99%	94.96%	95.37%	95.42%	96.12%	96.43%	95.47%	97.06%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$23,841,852</u>	<u>\$24,226,090</u>	<u>\$24,348,774</u>	<u>\$25,636,652</u>	<u>\$26,493,160</u>	<u>\$24,544,030</u>	<u>\$25,663,197</u>	<u>\$24,170,265</u>	<u>\$23,004,434</u>	<u>\$23,553,390</u>
Total Gross Indebtedness	21,201,661	22,660,046	21,159,313	19,604,242	19,060,000	17,870,000	15,993,513	13,960,900	12,488,287	12,575,675
Less:										
Notes Payable from Governmental Fund Revenues	0	0	0	0	0	1,000,000	800,000	600,000	400,000	2,800,000
Revenue Bonds Payable from Enterprise Fund Revenues	16,130,000	15,290,000	14,410,000	13,490,000	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000	6,675,000
G.O. Bonds Payable from Enterprise Fund Revenues	1,175,000	3,950,000	3,725,000	3,500,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000	1,685,000
Notes Payable from Enterprise Fund Revenues	286,661	210,046	129,313	44,242	2,000,000	1,200,000	900,000	600,000	300,000	0
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0	0	0	113,513	100,900	88,287	75,675
Special Assessment Bonds	110,000	0	0	0	0	0	0	0	0	0
Bond Retirement Fund Balance	<u>78,705</u>	<u>92,536</u>	<u>99,783</u>	<u>104,236</u>	<u>62,044</u>	<u>12,150</u>	<u>12,669</u>	<u>13,086</u>	<u>15,950</u>	<u>16,326</u>
Net Debt Within 5 1/2% Limitations	<u>3,421,295</u>	<u>3,117,464</u>	<u>2,795,217</u>	<u>2,465,764</u>	<u>2,342,956</u>	<u>2,147,850</u>	<u>1,902,331</u>	<u>1,646,914</u>	<u>1,989,050</u>	<u>1,323,674</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$20,420,557</u>	<u>\$21,108,626</u>	<u>\$21,553,557</u>	<u>\$23,170,888</u>	<u>\$24,150,204</u>	<u>\$22,396,180</u>	<u>\$23,760,866</u>	<u>\$22,523,351</u>	<u>\$21,015,384</u>	<u>\$22,229,716</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	85.65%	87.13%	88.52%	90.38%	91.16%	91.25%	92.59%	93.19%	91.35%	94.38%

Source: City Financial Records

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

YEAR	WATER SERVICE CHARGES AND INTEREST	DIRECT OPERATING EXPENSES (1)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
1999	\$3,844,349	\$2,370,428	\$1,473,921	\$625,000	\$766,658	1.06
2000	3,967,096	2,432,293	1,534,803	655,000	738,845	1.10
2001	4,019,211	2,511,184	1,508,027	685,000	708,715	1.08
2002	4,261,581	2,580,987	1,680,594	715,000	676,520	1.21
2003	4,237,212	3,003,396	1,233,816	750,000	642,200	0.89
2004	4,681,173	2,395,727	2,285,446	850,000	426,668	1.79
2005	4,569,734	2,806,797	1,762,937	930,000	348,715	1.38
2006	4,476,401	2,532,230	1,944,171	945,000	330,115	1.52
2007	4,736,631	3,085,979	1,650,652	965,000	301,505	1.30
2008	4,367,330	2,893,049	1,474,281	985,000	290,950	1.16

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

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

YEAR	SEWER SERVICE CHARGES AND INTEREST	DIRECT OPERATING EXPENSES (1)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
1999	\$2,494,278	\$1,704,291	\$789,987	\$180,000	\$99,835	2.82
2000	2,526,320	1,749,893	776,427	185,000	92,815	2.79
2001	2,678,013	1,992,229	685,784	195,000	85,415	2.45
2002	2,906,583	2,039,687	866,896	205,000	77,323	3.07
2003	2,875,559	2,406,215	469,344	210,000	68,405	1.69
2004	3,049,095	2,444,535	604,560	220,000	58,955	2.17
2005	3,092,130	2,551,986	540,144	230,000	48,835	1.94
2006	3,185,599	2,293,202	892,397	240,000	38,025	3.21
2007	3,569,310	2,304,866	1,264,444	255,000	26,265	4.50
2008	3,233,799	2,419,443	814,356	265,000	13,515	2.92

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Age (1)	School Enrollment (2)	Ross County Unemployment Rate (3)	Total Assessed Property Value (4)
1999	22,726	\$284,734,054	\$12,529	37.2	4,280	4.4%	\$433,488,212
2000	22,041	276,151,689	12,529	37.2	4,230	5.7%	440,474,360
2001	22,041	276,151,689	12,529	40.0	4,017	6.4%	442,704,980
2002	22,796	435,426,396	19,101	40.0	3,841	6.2%	466,120,950
2003	21,796	416,325,396	19,101	40.0	3,743	7.1%	481,693,810
2004	21,796	416,325,396	19,101	40.0	3,733	9.1%	446,255,090
2005	21,796	503,988,908	23,123	40.0	3,350	7.3%	466,603,580
2006	21,796	503,988,908	23,123	40.0	3,145	6.2%	439,459,360
2007	21,796	498,387,336	22,866	40.0	3,171	8.0%	418,262,440
2008	21,796	416,325,396	19,101	40.0	3,137	9.4%	428,243,450

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

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

(3) Source: Ohio Job & Family Services, Office of Workforce Development

(4) Source: Ross County Auditor

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

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

2008

Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,500	4.98%
Ross County	County Govt	550	1.83%
Chillicothe City Schools	Education	350	1.16%
City of Chillicothe	City Govt	290	0.96%
Lowe's	Retail	230	0.76%
Wal-Mart	Retail	210	0.70%
Horizon Family of Companies	Communications	200	0.66%
Ohio University-Chillicothe	College Campus	170	0.56%
Adelphia	Cable TV/Internet	122	0.41%
American Electric Power	Utility Center	14	0.05%
Total		<u>3,636</u>	<u>12.08%</u>
Total Employment Within the City		<u>30,100</u>	<u>100.00%</u>

1999

Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	2,832	n/a
Chillicothe City Schools	Education	827	n/a
Ross County	County Govt	527	n/a
Wal-Mart	Retail	515	n/a
Ohio University-Chillicothe	College Campus	401	n/a
City of Chillicothe	City Govt	373	n/a
Horizon Family of Companies	Communications	265	n/a
Lowe's	Retail	253	n/a
Adelphia	Cable TV/Internet	130	n/a
American Electric Power	Utility Center	21	n/a
Total		<u>6,144</u>	<u>n/a</u>
Total Employment Within the City		<u>n/a</u>	<u>n/a</u>

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

n/a - Information not available

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

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

Information Prior to 2006 is not available

CITY OF CHILLICOTHE, OHIO  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION PROGRAM  
 LAST SEVEN YEARS

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

**Source:** City Payroll Department W2 Audit Listing  
**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available.



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

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

continued

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

Function/Program	2006	2007	2008
<i>Civil Service</i>			
Number of Police Entry Tests Administered	1	0	0
Number of Fire Entry Tests Administered	0	1	0
Number of Police Promotional Tests Administered	0	1	0
Number of Fire Promotional Tests Administered	0	0	6
Number of Hires of Police Officers from Certified Lists	5	3	0
Number of Hires of Fire/Medics Officers from Certified Lists	0	0	0
Number of Promotions from Police Certified Lists	0	1	0
Number of Promotions from Police Certified Lists	0	0	0
<i>Building Department Indicators</i>			
Construction Permits Issued	25	31	13
Estimated Value of Construction	\$21,179,322	\$47,408,815	\$16,967,414
Number of Permits Issued	887	890	849
Amount of Revenue Generated from Permits	\$97,684	\$101,433	\$127,646
Number of Contractor Registrations Issued	436	380	344
Revenue Generated from Above 1,2,3,4	\$21,800	\$18,950	\$3,306
<i>Police Department</i>			
Total Calls for Service	27,642	26,259	25,610
Number of Traffic Citations Issued	3,600	2,942	3,008
Number of Parking Citations Issued	4,209	3,840	3,400
Number of Criminal Arrests	2,916	5,113	5,010
Number of Accident Reports Completed	1,431	1,474	1,121
DUI Arrests	225	171	187
Prisoner costs (room and board)	\$298,437	\$310,516	\$375,252
Motor Vehicle Accidents	1,035	1,147	771
Property Damage Accidents	396	327	350
Fatalities from Motor Vehicle Accidents	0	0	0
Gasoline Costs of Fleet	\$72,276	\$81,763	\$75,859
DARE Program hours	1,440	1,440	1,440
<i>Fire Department</i>			
EMS Calls	4,857	4,846	4,911
Ambulance Billing Collections (net)	\$923,551	\$936,958	\$789,211
Fire Calls	639	771	795
Fires with Loss	48	58	52
Fires with Losses Exceeding \$10K	5	7	4
Fire Losses \$	\$1,665,125	\$241,035	\$931,810
Fire Safety Inspections	100 plus	100 plus	100 plus
Number of Times Mutual Aid Given to Fire	11	0	7
Number of Times Mutual Aid Received for Fire	2	0	0
Number of Injuries Requiring Medical Attention	4	6	4
Fatalities Due to Fire	1	0	1

continued

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

Function/Program	2006	2007	2008
<b>Leisure Time Activities</b>			
<i>Recreation Department</i>			
Recreation Swimming Pool Receipts	\$37,144	\$60,956	\$92,861
Recreation Mens, Women & Chillicothe Leagues Receipts	\$23,127	\$21,395	\$25,315
Number of Tree License Issues	23	53	19
Amount of Revenue from Tree License	\$575	\$1,325	\$475
Total Acreage all Parks	225	225	225
<b>Transportation</b>			
<i>Street Construction &amp; State Highway</i>			
Street Sweeper (hours)	1,200	1,400	1,100
Cold Patch (hours)	1,400	1,600	1,600
Snow and Ice Removal (regular hours)	200	180	200
Snow and Ice Removal (overtime hours)	150	200	200
Leaf Collection (hours)	2,880	2,800	3,000
Downtown Square Repair after Events (hours)	104	50	75
Tons of Snow Melting Salt Purchased (Nov-Mar)	416	578	151
Cost of Salt Purchased	\$16,648	\$23,120	\$6,054
<b>Basic Utility Services</b>			
<i>Refuse Department</i>			
Refuse Disposal per year (in tons) August through July	8,356	8,252	8,124
Refuse Disposal cost per year August through July	\$342,175	\$312,107	\$286,340
<i>Water Department</i>			
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	14.18	14.18	14.48
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	21.28	21.28	21.71
Total Water Collections Annually (including P&I)	\$4,301,855	\$4,607,872	\$4,242,825
Number of Active Customers	9,312	9,207	9,153
<i>WasteWater Department</i>			
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	11.51	11.51	11.74
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	21.28	17.26	17.61
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	789.495	797.027	1009.626
Tons of Dry Sludge Removed	334.672	324.410	313.360
Wastewater Calls for Service	210	220	250
After Hours Wastewater Calls for Service (hours)	721	176	596
Sewer Jet, Vac-all, other services (hours)	11,440	8,000	9,536

(1) Information prior to 2006 is not available

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**Mary Taylor, CPA**  
Auditor of State

**CITY OF CHILLICOTHE**

**ROSS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 2, 2009**