



**Auditor of State
Betty Montgomery**

**CITY OF CHILLICOTHE
ROSS COUNTY**

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**CITY OF CHILLICOTHE
ROSS COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR DECEMBER 31, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants/States Program			
Community Development Block Grants/States F	A-C-03-104-1	14.228	\$224,795
Community Development Block Grants/States F	A-F-03-104-1	14.228	6,033
Community Development Block Grants/States F	A-F-04-104-1	14.228	225,041
Community Development Block Grants/States F	A-D-03-104-1	14.228	105,500
			<u>561,369</u>
HOME Investment Partnership Program	A-C-03-104-2	14.239	<u>185,394</u>
Total U.S. Department of Housing and Urban Development			<u>746,763</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed through Ohio Office of the Attorney General</i>			
Crime Victim Assistance	VAGENE539	16.575	<u>25,271</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation:</i>			
Formula Grants for other than Urbanized Areas	RPT-4071-023-051	20.509	<u>655,416</u>
Total Federal Awards Expenditures			<u><u>\$1,427,450</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF CHILLICOTHE
ROSS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
YEAR ENDED DECEMBER 31, 2005**

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 - 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.



**Auditor of State
Betty Montgomery**

**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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 12, 2006. 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 to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated May 12, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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*.

City of Chillicothe
Ross County
Independent Accountants' Report on Internal Controls over
Financial Reporting and on Compliance and other Matters
Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

May 12, 2006



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133,
AND FEDERAL AWARDS EXPENDITURES 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 each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits 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 each of its major federal programs for the year ended December 31, 2005. In a separate letter to the City's management dated May 12, 2006, we reported an other 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 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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio, as of and for the year ended December 31, 2005, and have issued our report thereon dated May 12, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

May 12, 2006

**CITY OF CHILLICOTHE
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grants/States Program; CFDA # 14.228 HOME Investment Partnership Program; CFDA # 14.239
<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

City of Chillicothe, Ohio Comprehensive Annual Financial Report

William D. Morrissey

Chillicothe City Auditor



For the Year Ended December 31, 2005

Prepared by the Office of the City of Chillicothe Auditor

CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
For the Year Ended December 31, 2005

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CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
For the Year Ended December 31, 2005

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CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report
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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 12, 2006

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, 2005. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2005. It is intended to provide all pertinent and necessary information to the Citizens of Chillicothe.

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

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

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

The CAFR Report

This CAFR is presented in three basic sections: The introductory section which includes the table of contents, this transmittal letter, a reproduction of the 2004 Certificate of Achievement Award, a list of City Officials and a complete organizational chart. The second section is the financial section, which contains the State Auditor's Office opinion letter, MD&A, basic financial statements, notes to these statements and all pertinent financial information for the year 2005. The third section is the statistical section including a ten year cash summary report of revenue and expenditures for all departments and funds.

State Audit

The 2005 basic financial statements were audited by the State of Ohio Auditor's Office. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls and tests of transactions. The State Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35 and 50 just 45 miles south of Columbus, Ohio, our City covers 10.95 square miles and has approximately 21,796 citizens according to the latest census. The City has 12 public parks consisting of 224 acres, 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 as conducted by the City Auditor's Office whenever monies are available to invest and Treasury Notes.

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

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

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

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

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

The City employs 291 people, both full-time and permanent part-time, to serve the citizens of Chillicothe in the various departments described as follows: Public Safety (Police, Fire and School Patrol), Recreation (Parks and Recreation), Utilities (Water, Sewer, Sanitation), Transportation (Bus System), Community Environment (Planning, Zoning, Economic Development), Streets (Engineering and Service Departments), General Government (Administrative services including Municipal Court), and Finance (including Auditor, Tax Auditor and Treasurer).

Economic Outlook

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

Kenworth Truck Company had a strong year in 2005, with record sales from its Chillicothe plant. Employment, build rate, quality, and productivity were at an all time high. Kenworth Truck Company was fortunate to receive five of the six J.D. Power awards, presented to the heavy duty truck industry. 2006 looks to be even stronger due to increased market share and an industry surge in orders. Significant investment in the plant will occur in 2006 in the form of paint robots and a possible expansion, leaving the Chillicothe plant well positioned for continued growth. Parent company, PACCAR, was recently awarded the National Medal of Technology by President Bush, for work to improve fuel economy and position our country for future prosperity.

Adena Regional Medical Center continues to grow and prosper. They offer expanded services in all areas and they continue to construct new facilities to better serve the citizens of Ross County. In 2005, they marked 110 years of serving the healthcare needs of Chillicothe, Ross and surrounding counties.

In April 2005, Adena Regional Medical Center broke ground for the Adena Health Pavilion, a 75,000 square foot building that will house an outpatient surgery center, sleep center and physician offices. This project is now nearing completion and is expected to be fully open by July 2006.

A year of change is the best way to describe 2005 for the paper operation. In January 2005, MeadWestvaco announced their intentions to sell their printing and writing papers business, including the Chillicothe facility and Fremont, Ohio operation. The sale closed in May 2005 and the new company formed was NewPage. This was followed by yet more news in June 2005, when NewPage announced their plans to review other alternatives for their carbonless business and the manufacturing facilities in Chillicothe and Fremont, Ohio. The alternatives included the possible sale to another paper company; an employee buyout (ESOP); or staying with NewPage. Finally, in February 2006, Glatfelter announced that a definitive agreement had been reached and they were going to purchase the Ohio operations and carbonless business. The deal closed on April 1, 2006.

In 2005 NewPage employed approximately 1,700 people with a payroll of approximately \$87 million. Market conditions were relatively good across virtually all product lines manufactured at the facility, which includes carbonless and uncoated paper products. Sales for the year were over 330,000 tons of paper. In addition, pulp production (including both hardwood and softwood) was over 322,000 tons in 2005.

Looking forward into 2006, the Chillicothe facility will be the largest manufacturing operation owned by Glatfelter in the United States. Carbonless paper will continue as a key product line, and by the end of 2006, an additional 125,000 tons of book publishing paper will also be included in the product offerings.

Horizon Communications had a year of restructure. President, Thomas McKell retired and a new head, William McKell, is President and CEO. Voluntary retirements resulted in a reduction of one-third of its workforce without forced layoffs. Horizon Communications is now structured for the future and the future is bright.

The unemployment rate in Ross County at the end of 2005 was 7.3% as compared with 5.9% for the State.

City income tax revenue for 2005 was \$10,209,835, which was an increase of \$189,070 or 1.89%. County sales taxes were \$10,668,370, an increase of \$34,399 or 0.32%. Strong growth continues to be evident in residential housing construction throughout the County and in the retail sector of our economy. The population of Ross County is currently estimated at 74,424.

In 2005, \$175,467 was collected in hotel-motel taxes. This was an increase of \$7,762 or 4.62%.

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 \$756,813 were utilized in areas such as fair housing, rental and private rehabilitation, and emergency home repair.
- ▶ The City's capital improvements included:
\$38,616 for a new light Transit vehicle; \$102,266 to purchase a new squad for the Fire department; \$34,625 for EMT/public safety equipment for the Fire department; \$21,436 for building security improvements in Municipal Court; \$69,201 for computer upgrades in Municipal Court; \$108,945 for five new police vehicles; \$2,400 for new police tasers; and \$19,700 for two new sludge mixers in the Wastewater department.
- ▶ The Transit department continues to work toward a new facility on the corner of Watt and Seventh Streets.
- ▶ The City did \$910,824 in street and alley improvements.
- ▶ Building permits totaled \$176,574 in 2005 for \$83,890,275 in new construction and major rehab work.
- ▶ The local contractor registration ordinance that was passed in 1996 resulted in registering more than 363 contractors and fee revenue of \$17,422.
- ▶ The additional \$5 refuse fee per month per household was made permanent.
- ▶ Sanitary sewer lines were constructed on the east side of North Bridge Street at a cost of \$372,825.
- ▶ A connector road and bridge is being constructed between Route 104 and Route 23 just north of Delano Road. Planned completion is October, 2006. This total project will cost an estimated \$30 million.
- ▶ A major fund raising campaign was initiated by the CIC with cooperation from Ross County, the City of Chillicothe and the Chillicothe Ross Chamber of Commerce. The fund raising campaign was a year-long process with the outcome leading to a new entity, known as Jobs 2010, created to lead economic development efforts.
- ▶ \$100,000 was reimbursed to Sunrush Enterprises, LLC for the installation of a traffic signal on Western Avenue.
- ▶ The City received \$80,000 from the Ross County Commissioners for the ROSSGO Transportation Program.
- ▶ \$393,735 was spent for a sanitary sewer line along Marietta Road to the new National Guard site. The City is negotiating the acquisition of the old National Guard building in Yoctangee Park.

- ▶ \$87,000 was received in donations to help open and operate the swimming pool in 2005.
- ▶ The City continues to work with Ross County Jobs and Family Services to utilize their personnel in various areas.
- ▶ Construction has begun on the new Sam's Club on Bridge Street just south of Kmart. This will be completed in the fall of 2006.

Future Initiatives

The year 2006 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 \$9 to \$10 million.
- ▶ The City is seeking grant revenue to build a pedestrian bike bridge over High Street to connect two portions of the bike path. This project should be completed in 2007.
- ▶ The addition of sewers for the Neenah Garden area is still in the planning stage.
- ▶ Plans continue to develop the Herron property on Route 23 north, which is 800 acres and will include a full range of usage for jobs, retail and housing. It is planned to extend City sewer service to this site at a cost of \$1,200,000.
- ▶ 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.
- ▶ Various locations are being looked at for the possible move of the City Administration building.

Budgetary Controls

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

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

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

Internal Controls

The City's accounting system has in place many internal controls to ensure reasonable, although not absolute, assurance that all of the City's assets are protected against loss from unauthorized or improper use or disposition. These controls require that all executed transactions follow set guidelines and are subject to multiple approvals. These controls are designed to ensure that explicit and complete financial records are maintained to the satisfaction of the City Auditor, the State Auditor and meet GAAP financial guidelines.

It should be noted that the "reasonable assurance" concept recognizes that the cost of a control should not exceed the benefits likely to be derived therefrom and that it is the task of management to make that evaluation.

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

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 and Debt Service Fund.

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

Risk Management

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

The City manages health and dental benefits for its employees through a 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, 2005 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, 2004. 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, 2004. 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 fifteenth for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand the operation of our City and its basic financial structure.

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

I would also like to thank J. L. Uhrig & Associates, C.P.A. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein. Our thanks also to the State of Ohio Auditor, Betty Montgomery's staff for their assistance and helpful service throughout the 21 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,

A handwritten signature in cursive script that reads "William D. Morrissey". The signature is written in black ink and is positioned below the typed name.

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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

CITY OF CHILLICOTHE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

Prepared by Office of City Auditor

CITY OFFICIALS

MAYOR

Joseph P. Sulzer
Term Expires 12-31-07

CITY COUNCIL

Robert L. Shoultz
President
Term Expires 12-31-05

Thomas Trutschel
Term Expires 12-31-05
Fifth Term - 1st Ward

Jonathan Schobelock
Term Expires 12-31-05
First Term - 3rd Ward

William Bonner
Term Expires 12-31-05
Fourth Term - 5th Ward

Joseph Herlihy
Term Expires 12-31-05
Fourth Term - At Large

Cynthia Henderson
Term Expires 12-31-05
First Term - At Large

Eric Rinehart
Term Expires 12-31-05
Third Term - 2nd Ward

Jean Malone
Term Expires 12-31-05
Partial Term - 4th Ward

Patricia Patrick
Term Expires 12-31-05
First Term - 6th Ward

Bartow Henshaw
Term Expires 12-31-05
Second Term - At Large

CITY AUDITOR

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

CITY TREASURER

David A. Neal
Third Term Expires 12-31-05

DIRECTOR OF LAW

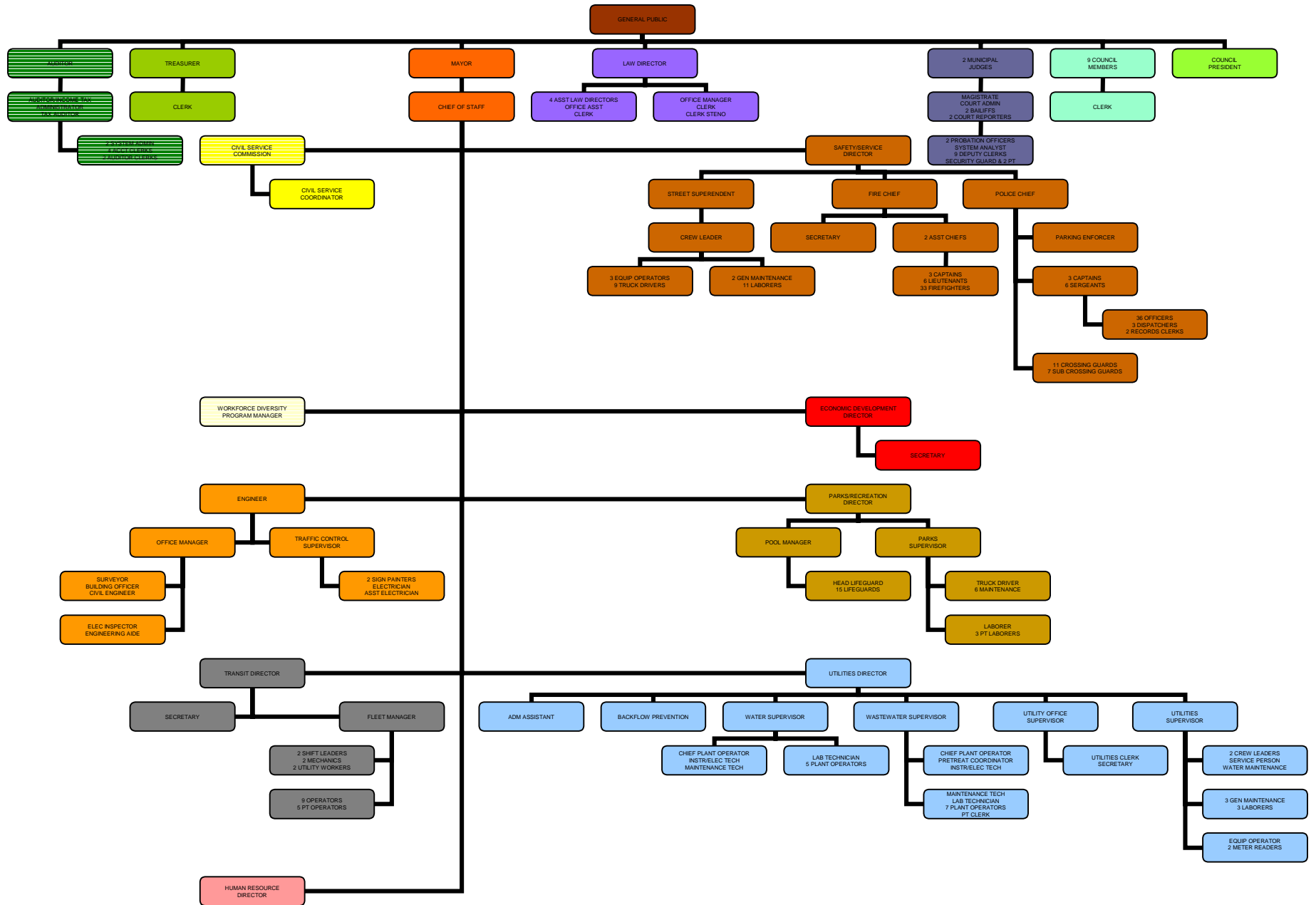
Toni Eddy
First Term Expires 12-31-07

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	Brad Cosenza
TRANSIT DIRECTOR	Michael Scholl
CLERK OF COUNCIL	John Fosson
ASSISTANT LAW DIRECTOR	Mark Preston
ASSISTANT LAW DIRECTOR	Edward Bunstine
ASSISTANT LAW DIRECTOR	Michelle Rout
ASSISTANT LAW DIRECTOR	Robert C. Hess

CITY OF CHILLICOTHE

ORGANIZATIONAL CHART



CITY OF CHILLICOTHE, OHIO
2005 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	Sarah Miller
AUDITOR'S CLERK	Hudson Ward



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio (the City), as of and for the year ended December 31, 2005, 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 the City of Chillicothe, Ross County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Construction, Maintenance and Repair 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 12, 2006, 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 non-major 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 non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and the statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

May 12, 2006

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of its financial activities for the year ended December 31, 2005. 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 \$1,524,422; net assets of the governmental activities decreased \$2,015,121; and net assets of the business-type activities increased \$490,699.
2. The General Fund balance of \$3,904,322 increased \$827,143 or 26.88% from the previous year's balance of \$3,077,179. This was a result of increased revenue from the City income tax and decreased expenditures.

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.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and by bond covenants. However, the Auditor establishes many other funds to help control and manage money for particular purposes or to show that the City 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 and Street Construction Maintenance & Repair Fund, which are considered to be major funds. Data from the other 23 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, 2005
Unaudited

The City of Chillicothe as a Whole

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

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

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and Other Assets	\$10,795,863	\$11,521,127	\$10,817,683	\$11,087,438	\$21,613,546	\$22,608,565
Capital Assets, Net	45,383,554	47,909,615	41,794,701	42,727,393	87,178,255	90,637,008
<i>Total Assets</i>	<u>56,179,417</u>	<u>59,430,742</u>	<u>52,612,384</u>	<u>53,814,831</u>	<u>108,791,801</u>	<u>113,245,573</u>
Liabilities						
Current and Other Liabilities	3,584,836	4,375,920	1,198,372	1,615,518	4,783,208	5,991,438
Long-Term Liabilities:						
Due within One Year	1,136,261	1,251,891	1,493,833	1,452,222	2,630,094	2,704,113
Due in More Than One Year	3,947,245	4,276,735	11,597,412	12,915,023	15,544,657	17,191,758
<i>Total Liabilities</i>	<u>8,668,342</u>	<u>9,904,546</u>	<u>14,289,617</u>	<u>15,982,763</u>	<u>22,957,959</u>	<u>25,887,309</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	43,667,909	44,886,857	28,629,701	28,017,313	72,297,610	72,904,170
Restricted for:						
Debt Service	0	0	2,008,181	1,949,546	2,008,181	1,949,546
Capital Projects	852,087	781,247	1,817,822	3,089,391	2,669,909	3,870,638
Permanent Fund Purpose:						
Expendable	2,027	1,987	0	0	2,027	1,987
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Other Purposes	1,776,992	3,613,428	0	0	1,776,992	3,613,428
Unrestricted (Deficit)	1,211,060	241,677	5,867,063	4,775,818	7,078,123	5,017,495
<i>Total Net Assets</i>	<u>\$47,511,075</u>	<u>\$49,526,196</u>	<u>\$38,322,767</u>	<u>\$37,832,068</u>	<u>\$85,833,842</u>	<u>\$87,358,264</u>

Current and other assets of governmental activities decreased by \$725,264 or 6.29% due to a decrease in intergovernmental receivable. 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 decreased by \$1,236,204 or 12.48% due to the City of Chillicothe making scheduled debt payments and decreases in contracts payable and claims payable.

Current and other assets of business-type activities decreased by \$269,755 or 2.43% due to a decrease in cash and cash equivalents used to retire debt. Capital assets decreased by \$932,692 or 2.18% due to depreciation expense exceeding current capital asset additions.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Total liabilities of business-type activities decreased by \$1,693,146 or 10.59% due to principal retirement of debt. Investment in capital assets, net of related debt increased \$612,388 or 2.18% due to principal retirement of debt.

The City of Chillicothe's total net assets decreased from \$87,358,264 in 2004 to \$85,833,842 in 2005, a change of \$1,524,422 or 1.75%.

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 \$2,015,121 or 4.07% and an increase in the net assets of the business-type activities of \$490,699 or 1.30%.

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. For the business-type activities, the City of Chillicothe increased water and sewer rates during 2005 to aid in the support of the water and sewer operations.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for years 2005 and 2004.

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for Services	\$6,247,404	\$6,040,744	\$7,561,515	\$7,403,538	\$13,808,919	\$13,444,282
Operating Grants and Contributions	2,251,441	3,225,346	0	0	2,251,441	3,225,346
Capital Grants and Contributions	0	559,712	0	0	0	559,712
General Revenues:						
Property Taxes	1,466,655	1,406,866	0	0	1,466,655	1,406,866
Income and other Taxes	10,374,825	10,195,789	0	0	10,374,825	10,195,789
Grants and Entitlements	1,661,266	1,552,464	0	0	1,661,266	1,552,464
Other	701,572	928,785	100,349	326,730	801,921	1,255,515
<i>Total Revenues</i>	<u>22,703,163</u>	<u>23,909,706</u>	<u>7,661,864</u>	<u>7,730,268</u>	<u>30,365,027</u>	<u>31,639,974</u>
Program Expenses						
General Government	6,995,606	7,145,676	0	0	6,995,606	7,145,676
<i>Security of Persons and Property:</i>						
Police	4,576,143	5,229,724	0	0	4,576,143	5,229,724
Fire	4,233,574	3,679,628	0	0	4,233,574	3,679,628
Transportation	5,814,354	5,459,822	0	0	5,814,354	5,459,822
Community Environment	1,113,876	681,235	0	0	1,113,876	631,235
Basic Utility Services	792,471	939,088	0	0	792,471	939,088
Leisure Time Activities	1,070,174	1,008,825	0	0	1,070,174	1,008,825
Interest and Fiscal Charges	100,026	88,230	0	0	100,026	88,230
Water and Sewer	0	0	7,193,225	6,720,819	7,193,225	6,720,819
<i>Total Expenses</i>	<u>24,696,224</u>	<u>24,182,228</u>	<u>7,193,225</u>	<u>6,720,819</u>	<u>31,889,449</u>	<u>30,903,047</u>
Increase (Decrease) in Net Assets						
Before Transfers	(1,993,061)	(272,522)	468,639	1,009,449	(1,524,422)	736,927

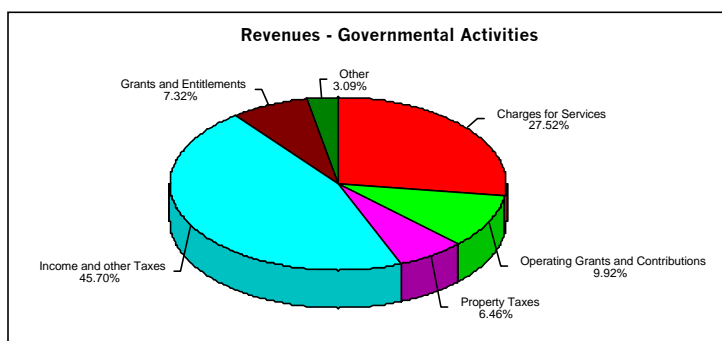
City of Chillicothe, Ohio

Management's Discussion and Analysis For the Year Ended December 31, 2005 Unaudited

Net Transfers In (Out)	(22,060)	(22,029)	22,060	22,029	0	0
Increase (Decrease) in Net Assets	(2,015,121)	(294,551)	490,699	1,031,478	(1,524,422)	736,927
Net Assets at Beginning of Year	49,526,196	49,820,747	37,832,068	36,800,590	87,358,264	86,621,337
Net Assets at End of Year	<u>\$47,511,075</u>	<u>\$49,526,196</u>	<u>\$38,322,767</u>	<u>\$37,832,068</u>	<u>\$85,833,842</u>	<u>\$87,358,264</u>

Governmental Activities

Governmental activities decreased the City of Chillicothe's net assets by \$2,015,121. The primary reason for the decrease in net assets relates to an increase in expenses in transportation and community environment, and a decrease in operating grants and contributions. The major cost factors involved in the increase in transportation are salaries and fringe benefits, including medical insurance. The increase in community environment reflects an increase in HUD expenses. Revenues were relatively stable except for charges for services which increased 3.42%, capital grants which decreased 100.0%, operating grants and contributions which decreased 30.2%, and grants and entitlements which increased 7.0% for the year.



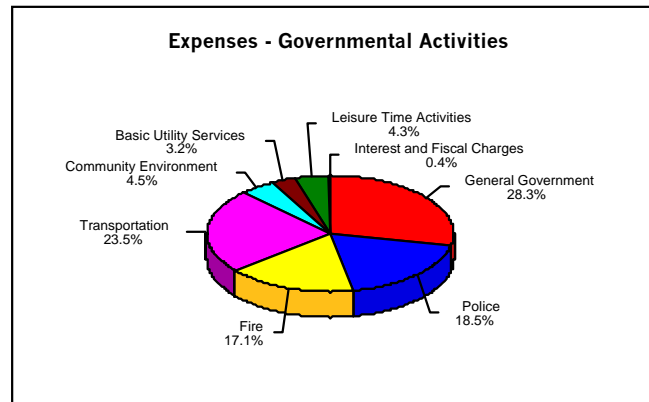
The income and other tax revenue for 2005 was \$10,374,825. Of the \$22,703,163 in total revenues, income and other tax accounts for 45.70% of that total. Charges for services of \$6,247,404 account for 27.52% of total revenues. Operating and capital grants and contributions account for 9.92% of the total and grants and entitlements, property taxes, and other revenue make up the remaining 16.86%.

In 2005 income and other tax increased \$179,036 from 2004. This was mainly the result of mandatory tax filing that began in 2004. Operating grants and contributions decreased \$973,905 in 2005. This was due to a decrease in HUD intergovernmental receivable. Capital grants and contributions decreased \$559,712 in 2005. This was the result of a decrease in Issue II funding.

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, 2005
Unaudited

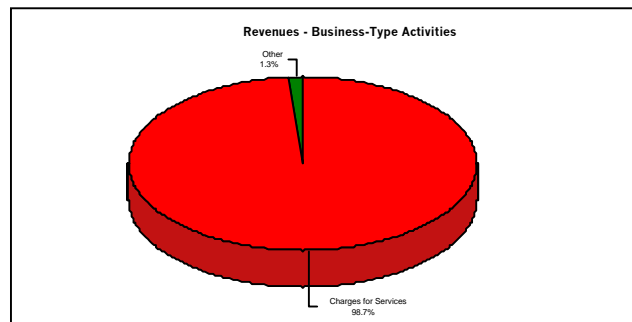


In 2005 community environment expenses increased \$482,641 due to an increase in HUD activity. Transportation and Security of Persons and Property expenses increased due to an increase in salaries fringe benefits.

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 \$490,699. An increase in charges for services as well as net assets in total in the business-type activities increased due to an increase in water and sewer rates and a decrease in capital projects.



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.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The General Fund is the chief operating fund of the City of Chillicothe. At the end of 2005, the total fund balance for the General Fund was \$3,904,322 of which \$3,670,048 was unreserved.

During the current year, the fund balance of the General Fund increased by \$827,143. The increase in the General Fund balance is due to an increase in various revenues and a decrease in various expenditures.

At the end of 2005, the Street Construction Maintenance & Repair Fund had a negative fund balance of \$346,944, which was the result of the City issuing an \$800,000 bond anticipation note obligation in this fund.

Proprietary Funds

During the current year, the net assets of the City of Chillicothe's water fund increased by \$612,861 or 3.3%. The increase in the Water Fund net assets is due mostly to an increase in the water rates and less interest and fiscal charges.

During the current year, the net assets of the Sewer Fund decreased by \$122,162 or .6%. The decrease in the Sewer Fund net assets is due to an increase in expenses for materials and supplies and depreciation.

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 2005, 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 \$15,399,081 and the final budgeted revenue amount was \$15,756,051.

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

- The most significant change was \$286,739 additional appropriation in security of persons and property.
- Another significant change was \$195,202 additional appropriation in basic utility services.

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31 (NET OF DEPRECIATION)

	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Land	\$6,641,050	\$6,641,050	\$1,889,017	\$1,889,017
Land Improvements	260,403	433,132	101	303
Buildings, Structures and Improvements	6,949,206	7,253,713	2,427,453	2,550,850
Plant and Facilities	0	0	17,355,489	17,857,316
Furniture, Fixtures, & Equipment	1,164,726	1,190,554	153,274	200,318
Infrastructure	30,368,169	32,391,166	19,969,367	20,229,589
Total	<u>\$45,383,554</u>	<u>\$47,909,615</u>	<u>\$41,794,701</u>	<u>\$42,727,393</u>

Total capital assets for governmental activities of the City of Chillicothe for the year 2005 were \$45,383,554 or \$2,526,061 less than in 2004. This decrease was mostly due to the annual depreciation expense.

The decrease in capital assets for business-type activities of \$932,692 was due primarily to the annual depreciation expense.

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

As of December 31, 2005, the City of Chillicothe had \$15,993,513 in bonds, OPWC loan, and notes outstanding with \$3,232,613 due within one year.

OUTSTANDING DEBT AT DECEMBER 31

	2005	2004
Governmental Activities		
General Obligation Bond Retirement Bonds:		
Various Purpose	\$1,435,000	\$1,665,000
Police and Fire Pension	480,000	495,000
Street Improvement Note	800,000	1,000,000
OPWC Loan	113,513	0
Total Governmental Activities	<u>2,828,513</u>	<u>3,160,000</u>
Business-Type Activities		
Water Revenue Bonds	9,570,000	10,500,000
Sewer Revenue Bonds	760,000	990,000
Sewer General Obligation Bonds	1,935,000	2,020,000
Water and Sewer Notes	900,000	1,200,000
Total Business-Type Activities	<u>13,165,000</u>	<u>14,710,000</u>
Total	<u>\$15,993,512</u>	<u>\$17,870,000</u>

City of Chillicothe, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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

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

There is \$9,570,000 in water revenue bonds and \$760,000 in sewer revenue bonds.

The \$800,000 general obligation note is for street improvements.

The \$900,000 water note is for the water tower.

The \$113,513 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 MeadWestvaco and Horizon Communications in 2005, 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 the it's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Auditor's Office, 35 S. Paint Street, Chillicothe, Ohio 45601.

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Statement of Net Assets

December 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash & Cash Equivalents	\$5,522,286	\$5,481,690	\$11,003,976
Cash and Cash Equivalents in Segregated Accounts	324,009	0	324,009
Investment in City Treasury	1,000	0	1,000
Accounts Receivable	188,613	1,269,900	1,458,513
Internal Balances	2,269	(2,269)	0
Intergovernmental Receivable	1,743,964	0	1,743,964
Income Tax Receivable	1,330,389	0	1,330,389
Property Tax Receivable	1,390,294	0	1,390,294
Other Taxes Receivable	79,802	0	79,802
Special Assessments Receivable	21,794	9,210	31,004
Accrued Interest Receivable	21	0	21
Materials and Supplies Inventory	73,529	32,032	105,561
Prepaid Items	117,893	44,661	162,554
Unamortized Bond Issue Costs	0	156,456	156,456
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	0	1,817,822	1,817,822
Cash & Cash Equivalents with Fiscal and Trustees	0	2,008,181	2,008,181
Nondepreciable Capital Assets	6,641,050	1,889,017	8,530,067
Depreciable Capital Assets, Net	38,742,504	39,905,684	78,648,188
Total Assets	56,179,417	52,612,384	108,791,801
Liabilities			
Accounts Payable	275,562	81,333	356,895
Contracts Payable	46,795	58,652	105,447
Accrued Wages Payable	218,705	34,570	253,275
Intergovernmental Payable	729,629	71,395	801,024
Matured Compensated Absences Payable	65,873	0	65,873
Accrued Interest Payable	16,220	49,046	65,266
Retainage Payable	56,982	0	56,982
Claims Payable	15,474	3,376	18,850
Deposits Held and Due to Others	2,765	0	2,765
Unearned/Deferred Revenue	1,356,831	0	1,356,831
Notes Payable	800,000	900,000	1,700,000
<i>Long-Term Liabilities:</i>			
Due within One Year	1,136,261	1,493,833	2,630,094
Due in More Than One Year	3,947,245	11,597,412	15,544,657
Total Liabilities	8,668,342	14,289,617	22,957,959
Net Assets			
Investments in Capital Assets, Net of Related Debt	43,667,909	28,629,701	72,297,610
<i>Restricted for:</i>			
Debt Service	0	2,008,181	2,008,181
Capital Projects	852,087	1,817,822	2,669,909
<i>Permanent Fund Purpose:</i>			
Expendable	2,027	0	2,027
Nonexpendable	1,000	0	1,000
Housing and Urban Development Program	353,292	0	353,292
Bus Transit	398,195	0	398,195
Other Purposes	1,025,505	0	1,025,505
Unrestricted	1,211,060	5,867,063	7,078,123
Total Net Assets	\$47,511,075	\$38,322,767	\$85,833,842

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Activities

For the Year Ended December 31, 2005

	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
General Government	\$6,995,606	\$4,293,630	\$157,944
<i>Security of Persons and Property:</i>			
Police	4,576,143	46,768	0
Fire	4,233,574	702,281	0
Transportation	5,814,354	153,898	1,843,493
Community Environment	1,113,876	0	156,795
Basic Utility Services	792,471	984,951	0
Leisure Time Activities	1,070,174	65,876	93,209
Interest and Fiscal Charges	100,026	0	0
Total Governmental Activities	24,696,224	6,247,404	2,251,441
Business-Type Activities			
Water	3,952,924	4,489,093	0
Sewer	3,240,301	3,072,422	0
Total Business-Type Activities	7,193,225	7,561,515	0
Totals	\$31,889,449	\$13,808,919	\$2,251,441

General Revenues

Property Taxes Levied for:

 General Purposes

Municipal Income Taxes Levied for:

 General Purposes

 Capital Outlay

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year

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
(\$2,544,032)	\$0	(\$2,544,032)
(4,529,375)	0	(4,529,375)
(3,531,293)	0	(3,531,293)
(3,816,963)	0	(3,816,963)
(957,081)	0	(957,081)
192,480	0	192,480
(911,089)	0	(911,089)
(100,026)	0	(100,026)
<u>(16,197,379)</u>	<u>0</u>	<u>(16,197,379)</u>
0	536,169	536,169
<u>0</u>	<u>(167,879)</u>	<u>(167,879)</u>
0	368,290	368,290
<u>(16,197,379)</u>	<u>368,290</u>	<u>(15,829,089)</u>
1,466,655	0	1,466,655
9,601,686	0	9,601,686
687,951	0	687,951
85,188	0	85,188
1,661,266	0	1,661,266
302,373	61,635	364,008
399,199	38,714	437,913
<u>14,204,318</u>	<u>100,349</u>	<u>14,304,667</u>
<u>(22,060)</u>	<u>22,060</u>	<u>0</u>
<u>14,182,258</u>	<u>122,409</u>	<u>14,304,667</u>
(2,015,121)	490,699	(1,524,422)
<u>49,526,196</u>	<u>37,832,068</u>	<u>87,358,264</u>
<u>\$47,511,075</u>	<u>\$38,322,767</u>	<u>\$85,833,842</u>

City of Chillicothe, Ohio

Balance Sheet
Governmental Funds

December 31, 2005

	General	Street Construction Maintenance & Repair	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash & Cash Equivalents	\$2,411,404	\$389,271	\$2,721,611	\$5,522,286
Cash and Cash Equivalents in Segregated Accounts	318,959	0	5,050	324,009
Investment in City Treasury	0	0	1,000	1,000
Accounts Receivable	186,871	0	1,763	188,634
Interfund Receivable	64,955	4,710	4,663	74,328
Intergovernmental Receivable	969,573	517,524	256,867	1,743,964
Income Tax Receivable	1,080,943	0	249,446	1,330,389
Property Tax Receivable	1,124,022	0	266,272	1,390,294
Other Taxes Receivable	79,802	0	0	79,802
Special Assessments Receivable	21,794	0	0	21,794
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	60,943	7,546	5,040	73,529
Prepaid Items	104,387	2,221	11,285	117,893
Total Assets	\$6,423,653	\$921,272	\$3,522,997	\$10,867,922
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$66,560	\$71,292	\$137,710	\$275,562
Contracts Payable	10,743	9,422	26,630	46,795
Accrued Wages Payable	185,077	9,655	23,973	218,705
Matured Compensated Absences Payable	65,873	0	0	65,873
Intergovernmental Payable	362,707	21,003	345,919	729,629
Retainage Payable	56,982	0	0	56,982
Interfund Payable	0	0	72,059	72,059
Claims Payable	12,543	778	2,153	15,474
Accrued Interest Payable	0	11,050	0	11,050
Notes Payable	0	800,000	0	800,000
Deposits Held and Due to Others	2,765	0	0	2,765
Deferred Revenue	1,756,081	345,016	400,868	2,501,965
Total Liabilities	2,519,331	1,268,216	1,009,312	4,796,859
Fund Balances				
Reserved for Permanent Fund	0	0	1,000	1,000
Reserved for Encumbrances	234,274	113,162	581,891	929,327
<i>Unreserved Reported in:</i>				
General Fund	3,670,048	0	0	3,670,048
Special Revenue Funds	0	(460,106)	1,431,171	971,065
Debt Service Fund	0	0	12,669	12,669
Capital Projects Funds	0	0	484,927	484,927
Permanent Fund	0	0	2,027	2,027
Total Fund Balances	3,904,322	(346,944)	2,513,685	6,071,063
Total Liabilities and Fund Balances	\$6,423,653	\$921,272	\$3,522,997	\$10,867,922

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, 2005

Total Governmental Fund Balances \$6,071,063

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds 45,383,554

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

Property and Other Taxes	46,663	
Intergovernmental	1,089,877	
Special Assessments	8,594	

Total 1,145,134

Some interest is not due and payable in the current period and
therefore is not reported in the funds. (5,170)

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	(1,435,000)	
Police & Fire Pension Bonds	(480,000)	
OPWC Loan Payable	(113,513)	
Premium on Bonds Issued	(12,482)	
Capital Leases Payable	(154,650)	
Landfill Postclosure Costs	(799,769)	
Compensated Absences Payable	(2,088,092)	

Total (5,083,506)

Net Assets of Governmental Activities \$47,511,075

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, 2005

	General	Street Construction Maintenance & Repair	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,190,940	\$0	\$280,776	\$1,471,716
Municipal Income Taxes	8,041,315	0	2,168,520	10,209,835
Other Taxes	164,990	0	0	164,990
Charges for Services	2,769,603	0	158,848	2,928,451
Fines, Licenses, and Permits	3,261,460	0	51,922	3,313,382
Intergovernmental	1,799,643	714,144	1,766,046	4,279,833
Special Assessments	7,871	0	0	7,871
Investment Earnings	302,117	0	256	302,373
Miscellaneous	413,285	3,783	109,645	526,713
Total Revenue	17,951,224	717,927	4,536,013	23,205,164
Expenditures				
<i>Current:</i>				
General Government	6,891,089	0	333,954	7,225,043
<i>Security of Persons and Property:</i>				
Police	3,726,995	0	432,846	4,159,841
Fire	3,584,259	0	550,439	4,134,698
Transportation	207,114	1,090,316	2,461,918	3,759,348
Community Environment	10,364	0	781,491	791,855
Basic Utility Services	806,492	0	0	806,492
Leisure Time Activities	85,697	0	690,666	776,363
Capital Outlay	0	0	646,646	646,646
<i>Debt Service:</i>				
Principal Retirement	45,810	0	260,495	306,305
Interest and Fiscal Charges	12,024	24,045	66,424	102,493
Total Expenditures	15,369,844	1,114,361	6,224,879	22,709,084
Excess of Revenues Over (Under) Expenditures	2,581,380	(396,434)	(1,688,866)	496,080
Other Financing Sources (Uses):				
Inception of Capital Lease	54,994	0	14,112	69,106
Proceeds from Loan	0	0	126,126	126,126
Transfers-In	121,190	498,795	1,839,985	2,459,970
Transfers-Out	(1,930,421)	(12,613)	(538,996)	(2,482,030)
Total Other Sources (Uses)	(1,754,237)	486,182	1,441,227	173,172
Net Change in Fund Balances	827,143	89,748	(247,639)	669,252
Fund Balances at Beginning of Year	3,077,179	(436,692)	2,761,324	5,401,811
Fund Balances at End of Year	\$3,904,322	(\$346,944)	\$2,513,685	\$6,071,063

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, 2004

Net Change in Fund Balances - Total Governmental Funds		\$669,252
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	944,887	
Current Year Depreciation	<u>(3,448,462)</u>	
Total		(2,503,575)
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.		
		(22,486)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.		
Delinquent Property Taxes	(5,032)	
Intergovernmental	(494,523)	
Special Assessments	<u>(2,447)</u>	
Total		(502,002)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		306,305
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		2,467
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.		
		(195,232)
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		
		243,728
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures.		
Compensated Absences	(17,100)	
Capital Leases Traded In	<u>3,522</u>	
Total		(13,578)
Change in Net Assets - Governmental Activities		<u>(\$2,015,121)</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)
General Fund

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$9,221,047	\$9,296,018	\$9,382,204	\$86,186
Charges for Services	2,678,700	2,753,700	2,781,423	27,723
Fines, Licenses and Permits	1,285,000	1,395,000	1,487,631	92,631
Intergovernmental	1,594,734	1,738,733	1,729,505	(9,228)
Special Assessments	0	0	7,871	7,871
Investment Earnings	120,000	225,000	307,584	82,584
Miscellaneous	499,600	347,600	416,503	68,903
Total Revenue	15,399,081	15,756,051	16,112,721	356,670
Expenditures				
<i>Current:</i>				
General Government	5,614,804	5,768,174	5,193,209	574,965
Security of Persons and Property	7,344,198	7,630,937	7,335,575	295,362
Transportation	211,000	211,000	206,724	4,276
Community Environment	585	585	46	539
Basic Utility Services	829,548	1,024,750	994,524	30,226
Leisure Time Activities	0	100,500	84,397	16,103
Total Expenditures	14,000,135	14,735,946	13,814,475	921,471
Excess of Revenues Over Expenditures	1,398,946	1,020,105	2,298,246	1,278,141
Other Financing Sources (Uses)				
Advances - In	0	350,000	350,000	0
Transfers - In	65,000	99,809	130,048	30,239
Transfers - Out	(1,957,071)	(2,002,782)	(1,930,421)	72,361
Total Other Sources (Uses)	(1,892,071)	(1,552,973)	(1,450,373)	102,600
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(493,125)	(532,868)	847,873	1,380,741
Fund Balances at Beginning of Year	1,193,979	1,193,979	1,193,979	0
Prior Year Encumbrances Appropriated	26,170	26,170	26,170	0
Fund Balances at End of Year	\$727,024	\$687,281	\$2,068,022	\$1,380,741

See accompanying notes to the basic financial statements

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$934,000	\$934,000	\$911,522	(\$22,478)
Miscellaneous	9,021	4,980	10,375	5,395
Total Revenue	<u>943,021</u>	<u>938,980</u>	<u>921,897</u>	<u>(17,083)</u>
Expenditures				
<i>Current:</i>				
Transportation	<u>2,188,640</u>	<u>3,357,244</u>	<u>3,124,935</u>	<u>232,309</u>
Total Expenditures	<u>2,188,640</u>	<u>3,357,244</u>	<u>3,124,935</u>	<u>232,309</u>
Excess of Revenues Over Expenditures	(1,245,619)	(2,418,264)	(2,203,038)	215,226
Other Financing Sources				
Proceeds of Notes	0	800,000	800,000	0
Transfers-In	410,000	531,041	506,199	(24,842)
Transfers-Out	<u>0</u>	<u>(22,000)</u>	<u>(12,613)</u>	<u>9,387</u>
Total Other Sources	<u>410,000</u>	<u>1,309,041</u>	<u>1,293,586</u>	<u>(15,455)</u>
Excess of Revenues and Other Sources (Under) Expenditures	(835,619)	(1,109,223)	(909,452)	199,771
Fund Balances at Beginning of Year	42,550	42,550	42,550	0
Prior Year Encumbrances Appropriated	<u>1,072,401</u>	<u>1,072,401</u>	<u>1,072,401</u>	<u>0</u>
Fund Balances at End of Year	<u>\$279,332</u>	<u>\$5,728</u>	<u>\$205,499</u>	<u>\$199,771</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fund Net Assets
Proprietary Funds

December 31, 2005

	Enterprise Funds		Total
	Water	Sewer	
Assets			
<i>Current:</i>			
Equity in Pooled Cash & Cash Equivalents	\$3,750,572	\$1,731,118	\$5,481,690
Accounts Receivable	742,559	527,341	1,269,900
Special Assessments Receivable	7,412	1,798	9,210
Materials and Supplies Inventory	28,695	3,337	32,032
Prepaid Items	24,972	19,689	44,661
Unamortized Bond Issue Costs	156,456	0	156,456
<i>Noncurrent:</i>			
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	1,200,000	617,822	1,817,822
Cash & Cash Equivalents with Fiscal and Trustees	1,514,652	493,529	2,008,181
Nondepreciable Capital Assets	1,412,520	476,497	1,889,017
Depreciable Capital Assets, Net	21,633,613	18,272,071	39,905,684
Total Assets	30,471,451	22,143,202	52,614,653
Liabilities			
<i>Current:</i>			
Accounts Payable	59,496	21,837	81,333
Contracts Payable	39,642	19,010	58,652
Accrued Wages Payable	15,684	18,886	34,570
Compensated Absences Payable	96,344	132,489	228,833
Interfund Payable	1,132	1,137	2,269
Intergovernmental Payable	38,199	33,196	71,395
Accrued Interest Payable	41,141	7,905	49,046
Claims Payable	1,892	1,484	3,376
Notes Payable	900,000	0	900,000
General Obligation Bonds Payable	0	80,000	80,000
Revenue Bonds Payable	945,000	240,000	1,185,000
<i>Noncurrent:</i>			
Compensated Absences Payable	170,679	219,686	390,365
General Obligation Bonds Payable	0	1,855,000	1,855,000
Revenue Bonds Payable	8,832,047	520,000	9,352,047
Total Liabilities	11,141,256	3,150,630	14,291,886
Net Assets			
Investments in Capital Assets, Net of Related Debt	2,714,652	1,111,351	3,826,003
<i>Restricted for:</i>			
Debt Service	1,514,652	493,529	2,008,181
Capital Projects	1,200,000	617,822	1,817,822
Unrestricted	13,900,891	16,769,870	30,670,761
Total Net Assets	\$19,330,195	\$18,992,572	\$38,322,767

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, 2005

	Enterprise Funds		Total
	Water	Sewer	
Operating Revenues			
Charges for Services	\$4,489,093	\$3,072,422	\$7,561,515
Other Operating Revenue	28,177	10,537	38,714
Total Operating Revenues	4,517,270	3,082,959	7,600,229
Operating Expenses			
Personal Services	1,009,141	949,139	1,958,280
Fringe Benefits	501,519	415,639	917,158
Contractual Services	124,249	70,035	194,284
Transportation	0	194	194
Materials and Supplies	611,248	737,793	1,349,041
Depreciation	694,056	591,686	1,285,742
Other Operating Expense	560,640	379,186	939,826
Total Operating Expenses	3,500,853	3,143,672	6,644,525
Operating Income	1,016,417	(60,713)	955,704
Non-Operating Revenues (Expenses)			
Bond Issue Costs	(48,673)	0	(48,673)
Interest Income	52,464	9,171	61,635
Loss on Disposal of Capital Assets	(53,122)	(31,888)	(85,010)
Interest and Fiscal Charges	(350,276)	(64,741)	(415,017)
Total Non-Operating Revenues (Expenses)	(399,607)	(87,458)	(487,065)
Income (Loss) Before Transfers	616,810	(148,171)	468,639
Transfers - In	0	30,000	30,000
Transfers - Out	(3,949)	(3,991)	(7,940)
Change in Net Assets	612,861	(122,162)	490,699
Net Assets at Beginning of Year	18,717,334	19,114,734	37,832,068
Net Assets at End of Year	\$19,330,195	\$18,992,572	\$38,322,767

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2005

	Enterprise Funds		Total
	Water	Sewer	
Cash Flows from Operating Activities			
Cash Received from Customers	\$4,471,776	\$3,061,201	\$7,532,977
Cash Received from Other Receipts	28,185	11,620	39,805
Cash Payments to Employees	(1,530,670)	(1,492,013)	(3,022,683)
Cash Payments for Contractual Services	(114,370)	(68,809)	(183,179)
Cash Payments for Supplies & Materials	(615,553)	(714,368)	(1,329,921)
Cash Payments for Other Expenses	(540,012)	(372,237)	(912,249)
Net Cash from Operating Activities	1,699,356	425,394	2,124,750
Cash Flows from Noncapital Financing Activities			
Transfers-In from Other Funds	0	30,000	30,000
Transfers-Out to Other Funds	(3,949)	(3,991)	(7,940)
Net Cash from Noncapital Financing Activities	(3,949)	26,009	22,060
Cash Flows from Capital and Related Financing Activities			
Proceeds Received from Bonds & Notes	900,000	0	900,000
Interest Paid on Bonds, Notes, Loans & Capital Leases	(378,632)	(116,187)	(494,819)
Principal Paid on Bonds, Notes, Loans & Capital Leases	(2,130,000)	(315,000)	(2,445,000)
Cash Paid to Acquire/Construct Capital Assets	(192,631)	(245,429)	(438,060)
Net Cash from Capital Related and Financing Activities	(1,801,263)	(676,616)	(2,477,879)
Cash Flows from Investing Activities			
Interest Received on Investments	52,464	9,171	61,635
Net Cash from Investing Activities	52,464	9,171	61,635
Net (Decrease) In Cash and Cash Equivalents	(53,392)	(216,042)	(269,434)
Cash and Cash Equivalents at Beginning of Year	6,518,616	3,058,511	9,577,127
Cash and Cash Equivalents at End of Year	\$6,465,224	\$2,842,469	\$9,307,693

See accompanying notes to the basic financial statements

continued

City of Chillicothe, Ohio

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2005

	Enterprise Funds		Total
	Water	Sewer	
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating Income	\$1,016,417	(\$60,713)	\$955,704
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:			
Depreciation Expense	694,056	591,686	1,285,742
<i>Changes in Assets & Liabilities:</i>			
(Increase) Decrease in Accounts Receivable	(17,317)	(11,221)	(28,538)
(Increase) Decrease in Special Assessments Receivable	8	1,083	1,091
(Increase) Decrease in Material & Supply Inventory	(25,465)	(658)	(26,123)
(Increase) Decrease in Prepaid Items	(43)	2,992	2,949
Increase (Decrease) in Accounts Payable	49,774	9,313	59,087
Increase (Decrease) in Contracts Payable	804	19,010	19,814
Increase (Decrease) in Accrued Wages Payable	2,037	1,117	3,154
Increase (Decrease) in Compensated Absences Payable	(15,998)	10,879	(5,119)
Increase (Decrease) in Retainage Payable	1,132	0	1,132
Increase (Decrease) in Interfund Payable	0	1,137	1,137
Increase (Decrease) in Intergovernmental Payable	12,483	(122,965)	(110,482)
Increase (Decrease) in Claims Payable	(18,532)	(16,266)	(34,798)
Net Cash from Operating Activities	<u>\$1,699,356</u>	<u>\$425,394</u>	<u>\$2,124,750</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2005

	<u>Private Purpose Trust Unclaimed Monies</u>	<u>Agency Deposits Agency</u>
Assets		
Equity in Pooled Cash & Cash Equivalents	<u>\$65,084</u>	<u>\$23,713</u>
Total Assets	<u>65,084</u>	<u>23,713</u>
Liabilities		
Deposits Held and Due to Others	<u>0</u>	<u>23,713</u>
Total Liabilities	<u>0</u>	<u><u>\$23,713</u></u>
Net Assets		
Held in Trust for Potential Claimants	<u><u>\$65,084</u></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, 2005

	<u>Private Purpose Trust</u> <u>Unclaimed Monies</u>
Additions	
Miscellaneous	\$9,837
Deductions	
Amounts Paid to Claimants	130
Amounts Paid to Funds - Expired Claims	8,858
Total Deductions	<u>8,988</u>
Change in Net Assets	849
Net Assets at Beginning of Year	<u>64,235</u>
Net Assets at End of Year	<u><u>\$65,084</u></u>

See accompanying notes to the basic financial statements

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CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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:

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Street Construction Maintenance & Repair Fund - This fund accounts for specific revenues that are legally restricted to expenditure for maintenance and repair of City streets.

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 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 fund accounts for assets that are held pending determination of their disposition.

Measurement Focus

Government-Wide Financial Statements

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

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

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

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005, but which were levied to finance year 2006 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/deferred revenue.

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

Expenditures/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.

Budgetary Accounting and Control

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

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 fund and ordinance does not permit expenditures and encumbrances to exceed appropriations for each fund. Unencumbered and unexpended appropriations lapse at year-end in all budgeted funds.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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, with the exception of nonparticipating repurchase agreements, which are reported at cost.

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2005 amounted to \$302,117, which includes \$251,156 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's treasury accounts. These interest-bearing depository accounts are presented on the statement of net assets 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.

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, 2005, 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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Restricted Assets

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

Capital Assets

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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 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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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.

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 2005.

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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 and the Street Construction Maintenance & Repair Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

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

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

	General	Street Construction Maintenance & Repair Fund
GAAP Basis	\$827,143	\$89,748
Adjustments:		
Net Adjustment for Non-budgeted Municipal Court	(26,433)	0
Net Adjustment for Revenue Accruals	(76,175)	203,970
Net Adjustment for Expenditure Accruals	74,109	(1,826,803)
Encumbrances	(254,635)	(183,771)
Net Adjustment for Other Sources (Uses)	303,864	807,404
Budget Basis	\$847,873	(\$909,452)

NOTE 3A - ACCOUNTABILITY

Deficit Fund Balances	Deficit
Street Construction Maintenance & Repair Fund	\$346,944
<u>Nonmajor Funds</u>	
Police Pension	131,592
Fire Pension	162,450

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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 PRONOUNCEMENT

For fiscal year 2005, the City has implemented Governmental Accounting Standards Board (GASB) Statement 40, "Deposit and Investment Risk Disclosures. GASB 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments. The implementation of GASB Statement No. 40 had no material effect on the City's financial statements.

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Cash and Cash Equivalents	
-Pooled	\$12,910,595
-Segregated	324,009
-Fiscal & Escrow Agents	2,008,181
Investment (Carrying Amount)	1,000
Reconciling items (net) to arrive at bank balances for deposits	<u>154,530</u>
Total available for deposit and investment	<u>\$15,398,315</u>

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

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements", and GASB Statement No. 40, "Deposit and Investment Risk Disclosure."

At fiscal year end, the City had \$2,000 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, 2005, the carrying amount of all City deposits was \$13,371,286. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2005, \$13,125,816 of the City's bank balance of \$13,525,816 was exposed to custodial risk as discussed above while \$400,000 was covered by Federal Deposit Insurance.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

The \$13,125,816 exposed to custodial risk was collateralized with securities held by the City or its agency in the City's name.

Investments: As of December 31, 2005, the City had the following investments and maturities:

Investment Type	Fair Value	One Year or Less
Repurchase Agreements	\$114,341	\$114,341
U.S. Treasury Bond	1,000	1,000
Money Market Mutual Funds	1,757,158	1,757,158
Totals	\$1,872,499	\$1,872,499

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: 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. Moody's has assigned the U.S. Bank Mutual Fund an "Aa2" rating. The repurchase agreement is invested in Fannie Mae securities which Moody's has assigned 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 provides 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, other than the City's repurchase agreements, which are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2005 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:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Governmental Activities

General Fund:

Local Government Distributions	\$855,915
State Property Tax Reimbursements	41,205
Estate Taxes and Other Revenues	<u>72,453</u>
Total General Fund	969,573
Street Construction Maintenance & Repair Distributions	517,524

Nonmajor Special Revenue Funds:

State Highway Distributions	41,926
Housing and Urban Development Grants	115,300
Grants	33,002
Indigent Drivers Alcohol Treatment	4,803
Bus Transportation Grants	52,068
Police & Fire Pension State Property Tax Reimbursements	<u>9,768</u>

Total Nonmajor Special Revenue Funds	<u>256,867</u>
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Total Intergovernmental Receivables	<u><u>\$1,743,964</u></u>
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NOTE 7- CAPITAL ASSETS

A summary of changes in general capital assets during 2005 are as follows:

	Balance 01/01/2005	Additions	Deletions	Balance 12/31/2005
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$6,641,050	\$0	\$0	\$6,641,050
Total Nondepreciable Capital Assets	<u>6,641,050</u>	<u>0</u>	<u>0</u>	<u>6,641,050</u>
Depreciable Capital Assets				
Land Improvements	4,621,537	0	0	4,621,537
Buildings, Structures and Improvements	13,326,827	4,726	0	13,331,553
Furniture, Fixtures, Equipment, & Vehicles	7,214,254	693,603	(181,275)	7,726,582
Infrastructure	52,856,685	246,558	0	53,103,243
Total Depreciable Capital Assets	<u>78,019,303</u>	<u>944,887</u>	<u>(181,275)</u>	<u>78,782,915</u>
Less Accumulated Depreciation:				
Land Improvements	(4,188,405)	(172,729)	0	(4,361,134)
Buildings, Structures and Improvements	(6,073,114)	(309,233)	0	(6,382,347)
Furniture, Fixtures, Equipment, & Vehicles	(6,023,700)	(696,945)	158,789	(6,561,856)
Infrastructure	(20,465,519)	(2,269,555)	0	(22,735,074)
Total Accumulated Depreciation	<u>(36,750,738)</u>	<u>(3,448,462)</u>	<u>158,789</u>	<u>(40,040,411)</u>
Total Capital Assets Being Depreciated, Net	<u>41,268,565</u>	<u>(2,503,575)</u>	<u>(22,486)</u>	<u>38,742,504</u>
Governmental Activities Capital Assets, Net	<u><u>\$47,909,615</u></u>	<u><u>(\$2,503,575)</u></u>	<u><u>(\$22,486)</u></u>	<u><u>\$45,383,554</u></u>

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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

Governmental Activities		
General Government		\$231,403
<i>Security of Persons and Property:</i>		
Police		174,795
Fire		190,384
Transportation		2,263,250
Community Environment		322,699
Leisure Time Activities		265,931
		<u>265,931</u>
Governmental Activities Depreciation Expense		<u><u>\$3,448,462</u></u>

	Balance 1/1/2005	Additions	Deletions	Balance 12/31/2005
Business-Type Activities:				
Nondepreciable Capital Assets:				
Land	\$1,889,017	\$0	\$0	\$1,889,017
Total Nondepreciable Capital Assets	<u>1,889,017</u>	<u>0</u>	<u>0</u>	<u>1,889,017</u>
Depreciable Capital Assets:				
Land Improvements	272,721	0	0	272,721
Buildings, Structures and Improvements	3,833,274	3,283	0	3,836,557
Plant and Facilities	25,072,722	0	0	25,072,722
Furniture, Fixtures, & Equipment	1,969,446	61,952	(6,717)	2,024,681
Infrastructure	27,175,455	372,825	(131,097)	27,417,183
Total Depreciable Capital Assets	<u>58,323,618</u>	<u>438,060</u>	<u>(137,814)</u>	<u>58,623,864</u>
Less Accumulated Depreciation:				
Land Improvements	(272,418)	(202)	0	(272,620)
Buildings, Structures and Improvements	(1,282,424)	(126,680)	0	(1,409,104)
Plant and Facilities	(7,215,406)	(501,827)	0	(7,717,233)
Furniture, Fixtures, & Equipment	(1,769,128)	(108,690)	6,411	(1,871,407)
Infrastructure	(6,945,866)	(548,343)	46,393	(7,447,816)
Total Accumulated Depreciation	<u>(17,485,242)</u>	<u>(1,285,742)</u>	<u>52,804</u>	<u>(18,718,180)</u>
Depreciable Capital Assets, Net	<u>40,838,376</u>	<u>(847,682)</u>	<u>(85,010)</u>	<u>39,905,684</u>
Business-Type Activities Capital Assets, Net	<u><u>\$42,727,393</u></u>	<u><u>\$(847,682)</u></u>	<u><u>\$(85,010)</u></u>	<u><u>\$41,794,701</u></u>

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

NOTE 8 - NOTES PAYABLE

The City's note transactions for the year ended December 31, 2005, were as follows:

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

FOR THE YEAR ENDED DECEMBER 31, 2005

Purpose	Balance 1/1/05	Additions	Deletions	Balance 12/31/05
Governmental Activities:				
Bond Anticipation Notes Payable:				
Street Improvement, 2.26%	\$1,000,000	\$0	\$1,000,000	\$0
Street Improvement, 3.25%	0	800,000	0	800,000
Governmental Activities Note Payable	\$1,000,000	\$800,000	\$1,000,000	\$800,000
Business-Type Activities:				
Bond Anticipation Notes Payable:				
Municipal Water System, 2.50%	\$1,200,000	\$0	\$1,200,000	\$0
Municipal Water System, 3.12%	0	900,000	0	900,000
Business-Type Activities Notes Payable	\$1,200,000	\$900,000	\$1,200,000	\$900,000

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

NOTE 9 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2005, was as follows:

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

Purpose	Balance 1/1/2005	Additions	Deletions	Balance 12/31/2005	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable:					
Various Purpose G.O. Refunding Bonds, \$2,125,000, 3.31%, 2003 - 2012	\$1,665,000	\$ 0	(\$230,000)	\$1,435,000	\$240,000
Issuance Premium on Bonds	14,562	0	(2,080)	12,482	0
Police & Fire Pension Bonds, \$575,000, 3.75-5.625%, 1999 - 2024	495,000	0	(15,000)	480,000	15,000
OPWC Term Loan Payable, \$126,126, 0.00%, 2005 - 2014	0	126,126	(12,613)	113,513	12,613
Other Long-Term Obligations:					
Compensated Absences	2,172,809	1,076,840	(1,161,557)	2,088,092	773,562
Capital Leases	137,758	69,106	(52,214)	154,650	41,268
Landfill Post-Closure Care	1,043,497	0	(243,728)	799,769	53,818
Governmental Activities Long-Term Obligations	\$5,528,626	\$1,272,072	(\$1,717,192)	\$5,083,506	\$1,136,261

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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.

Business-Type Activities Bonds and Other Long-Term Obligations

Purpose	Balance 1/1/2005	Additions	Deletions	Balance 12/31/2005	Amounts Due Within One Year
Business-Type Activities:					
Revenue Bonds Payable:					
Municipal Water System Refunding					
\$11,350,000, 5.22%, 2003 - 2014	\$10,500,000	\$ 0	(\$930,000)	\$9,570,000	\$945,000
Issuance Premium on Bonds	232,928	0	(25,881)	207,047	0
Municipal Sewer System,					
\$3,010,000, 2.75-5.10%, 1993 - 2008	990,000	0	(230,000)	760,000	240,000
General Obligation Bonds Payable:					
\$2,095,000, Sewer Bonds, 3.31%, 2003-2023	2,020,000	0	(85,000)	1,935,000	80,000
Compensated Absences	624,317	203,318	(208,437)	619,198	228,833
Business-Type Activities Long-Term Obligations	<u>\$14,367,245</u>	<u>\$203,318</u>	<u>(\$1,479,318)</u>	<u>\$13,091,245</u>	<u>\$1,493,833</u>

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

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

Enterprise fund assets, whose use is restricted under bond indentures, are presented as restricted assets on the statement of net assets. Restricted assets relating to the revenue bonds at December 31, 2005 are as follows:

Business-Type Activities	
Restricted Assets Held by the City For:	
Water System Replacement and Improvement	\$1,200,000
Sewer System Replacement and Improvement	617,822
Restricted Assets Held by the Trustee for:	
Water System Bond Debt Service	1,514,652
Sewer System Bond Debt Service	493,529
Business-Type Activities Restricted Assets	<u>\$3,826,003</u>

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

Debt service requirements are as follows:

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

FOR THE YEAR ENDED DECEMBER 31, 2005

For year Ended Dec 31	General Obligation Bonds Various		Police & Fire Pension Bonds	
	Principal	Interest	Principal	Interest
2006	\$240,000	\$34,820	\$15,000	\$26,059
2007	240,000	30,020	15,000	25,369
2008	250,000	25,220	15,000	24,664
2009	250,000	19,595	20,000	23,944
2010	190,000	13,345	20,000	22,963
2011 - 2015	265,000	10,350	110,000	99,093
2016 - 2020	0	0	140,000	65,250
2021 - 2024	0	0	145,000	20,812
	<u>\$1,435,000</u>	<u>\$133,350</u>	<u>\$480,000</u>	<u>\$308,154</u>

For Year Ended Dec 31	Water Revenue Bonds		Sewer Revenue Bonds		Sewer G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$945,000	\$330,115	\$240,000	\$38,025	\$80,000	\$65,653
2007	965,000	311,215	255,000	26,265	85,000	64,052
2008	985,000	290,950	265,000	13,515	85,000	62,353
2009	1,010,000	266,818	0	0	90,000	60,440
2010	1,050,000	226,417	0	0	85,000	58,190
2011 - 2015	4,615,000	497,168	0	0	495,000	248,965
2016 - 2020	0	0	0	0	595,000	157,312
2021 - 2023	0	0	0	0	420,000	35,285
	<u>\$9,570,000</u>	<u>\$1,922,683</u>	<u>\$760,000</u>	<u>\$77,805</u>	<u>\$1,935,000</u>	<u>\$752,250</u>

For Year Ended Dec 31	OPWC Loan Payable Principal Only
2006	\$12,613
2007	12,613
2008	12,613
2009	12,613
2010	12,613
2011 - 2015	50,448
	<u>\$113,513</u>

NOTE 10 - CAPITAL LEASES

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the statement of revenues, expenditures and changes in fund balance for governmental funds as a functional expenditure and "inception of capital lease". Capital lease payments are reflected as debt service expenditures in the governmental funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$314,745 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2005 were \$48,692 in the governmental funds.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005 are as follows:

Year Ended December 31,	Capital Lease Payments
2006	\$54,878
2007	51,574
2008	41,024
2009	20,832
2010	<u>10,776</u>
Total Future Minimum Lease Payments	179,084
Less: Amount Representing Interest	<u>(24,434)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$154,650</u></u>

NOTE 11 - PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description: The City of Chillicothe contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State. OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by 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) 222-6701 or 1-800-222-PERS (7377).

Funding Policy: The Ohio Revised Code provides statutory authority for member and employer contribution rates. For 2005, 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 8.5% of their annual covered salary.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

In January 2001, House Bill 416 divided the OPERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The employer contribution rate for pension benefits for 2005 was 9.55%, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contribution was 12.7% of covered payroll. The City's required contributions to OPERS for the years ending December 31, 2005, 2004, and 2003 were \$637,484, \$632,621, and \$573,815, respectively; 92.5% has been contributed for 2005, 100% for years 2004 and 2003.

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. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. For local government employer units the rate was 13.55% of covered payroll; 4.0% was the portion used to fund health care for the year. The 2005 employer rate was 16.70% and 4.0% was used to fund health care for both the law enforcement and public safety divisions.

Of the employer contributions made by the City for the year 2005, \$267,006 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.

Benefits are advance-funded using the entry age normal actuarial cost method. The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2004 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.50% to 6.30%.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate). As of December 31, 2005, the number of active contributing participants was 376,109. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2004 was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was \$355,287.

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, 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 retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

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

Funding Policy: Plan members are required to contribute 10.0% of their annual covered salary to fund pension benefits, while the City is required to contribute 11.75% and 16.25%, 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, 2005, 2004 and 2003 were \$599,006, \$620,728, and \$687,572, respectively; 70% has been contributed for 2005 and 100% for years 2004 and 2003.

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.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F shall be included in the employer's contribution rate, which is 19.5% of covered payroll for police officers and 24.0% of covered payroll for firefighters. Of these employer contribution rates for the City, 7.75% was applied to the postemployment health care program.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Of the employer contributions made by the City for the year 2005, \$361,734 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 7.75% of covered payroll in 2004 and 2005. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

As of December 31, 2004, the latest information available, the number of participants eligible to receive health care benefits was 13,812 for police officers and 10,528 for firefighters. OP&F's total health care expenses for the year ended December 31, 2004, the date of the last actuarial valuation available, was \$102,173,796, which was net of member contributions of \$55,665,341.

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 with out 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. Unused vacation time may be accumulated and carried over up to 1,440 hours. 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.

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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 2005 tax levy was based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$356,696,600
Tangible Personal Property	88,563,590
Public Utility Property	<u>21,343,390</u>
Total	<u><u>\$466,603,580</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 2005, real property taxes were levied on January 1, 2005, on assessed values as of January 1, 2004, the lien date. Real estate taxes were due and payable on February 9 and July 8, 2005. Personal property taxes were due and payable on May 10 and September 20, 2005, on assessed values as of the lien date, December 31, 2004.

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, 2005.

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

NOTE 14 - MUNICIPAL INCOME TAXES

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

As of December 31, 2005 there were \$349,810 in delinquent income taxes for which collection is uncertain, therefore these taxes are not accrued. In 2005, these municipal income taxes generated a combined total of \$10,209,835 in local tax revenue.

NOTE 15 - INTERFUND ACTIVITY

As of December 31, 2005, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
General Fund	\$64,955	\$0
Street Construction Maintenance & Repair Fund	4,710	
<i>Nonmajor Special Revenue Funds:</i>		
Parks and Recreation	4,663	14
Grants	0	9,373
Parking	0	40
Bus Transit	0	20,888
Total Nonmajor Special Revenue Funds	0	30,315
<i>Nonmajor Capital Projects Funds:</i>		
Safety Levy Capital	0	20,872
Parks and Recreation Capital	0	20,872
Total Nonmajor Capital Projects Funds	0	41,744
<i>Business-Type Activities:</i>		
Water	0	1,132
Sewer	0	1,137
Total Business-Type Funds	0	2,269
Total	74,328	74,328

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 2005 are as follows:

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

FOR THE YEAR ENDED DECEMBER 31, 2005

Transfers In

Transfers Out	Street						Total
	General	Construction Maintenance & Repair	Nonmajor Special Revenue	Nonmajor Capital Improvement	Bond Retirement	Sewer	
General	\$0	\$440,000	\$1,382,148	\$5,000	\$73,273	\$30,000	\$1,930,421
Street Construction							
Maintenance & Repair	0	0	0	0	12,613	0	12,613
Nonmajor Special Revenue	72,888	58,795	28,551	100,000	42,200	0	302,434
NonmajorCapital Projects	40,362	0	0	0	196,200	0	236,562
Water	3,949	0	0	0	0	0	3,949
Sewer	3,991	0	0	0	0	0	3,991
	<u>\$121,190</u>	<u>\$498,795</u>	<u>\$1,410,699</u>	<u>\$105,000</u>	<u>\$324,286</u>	<u>\$30,000</u>	<u>\$2,489,970</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, 2005, the City made transfers of \$1,382,148 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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

As a result of the construction costs of the Law Complex being shared by the City and Ross County, the facility will be treated as a shared asset with both entities reflecting a proportionate share of the facility in their 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 2005, the City incurred \$47,637 in post closure care costs and decreased its postclosure care liability by \$196,091, which is a change in estimate. To this date, the City has incurred approximately \$1,925,358 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

The City has accrued a liability for landfill post-closure care costs of \$799,769. The liability is based on an average of cumulative postclosure care costs to this date projected over the next fifteen 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 fifteen years.

NOTE 18 - RISK MANAGEMENT

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

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 \$31,572,500. Other property insurance includes \$52,024 unscheduled and \$1,192,904 scheduled for contractor's equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$31,572,700. Insurance deductibles on any of the above coverages do not exceed \$10,000.

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

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

During 2005, the City elected to stop providing employee health and dental benefits on a self-insured program basis and switched to a fully funded plan. As of December 31, 2005, the City continues to pay run-out claims for the self-insured program.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

An excess coverage insurance policy with Klais & Company, Inc. covers individual claims in excess of \$50,000 and aggregate claims in excess of \$1,937,940. A liability for each funds portion of the unpaid claims costs totaling \$18,850 has been accrued as a liability based on an estimate by the administrator of those unpaid run-out claims.

Changes in the total of all funds claims liability in 2004 and 2005 are:

<u>Year</u>	<u>Balance Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance End of Year</u>
2004	\$204,930	\$3,366,064	\$3,343,309	\$227,685
2005	227,685	24,745	233,580	18,850

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
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.

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.

Bus Transit Fund

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

Police Pension Fund

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

Fire Pension Fund

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

CITY OF CHILLICOTHE, OHIO

NONMAJOR 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.

FIDUCIARY FUNDS PRIVATE PURPOSE TRUST FUND

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

Unclaimed Monies Fund

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

AGENCY FUND

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

Deposits Agency Fund

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

City of Chillicothe, Ohio

Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Equity in Pooled Cash & Cash Equivalents	\$1,801,914	\$12,669	\$905,001	\$2,027	\$2,721,611
Cash and Cash Equivalents in Segregated Accounts	5,050	0	0	0	5,050
Investment in City Treasury	0	0	0	1,000	1,000
Accounts Receivable	1,763	0	0	0	1,763
Interfund Receivable	4,663	0	0	0	4,663
Intergovernmental Receivable	256,867	0	0	0	256,867
Income Tax Receivable	137,029	0	112,417	0	249,446
Property Tax Receivable	266,272	0	0	0	266,272
Materials and Supplies Inventory	5,040	0	0	0	5,040
Prepaid Items	11,285	0	0	0	11,285
Total Assets	\$2,489,883	\$12,669	\$1,017,418	\$3,027	3,522,997
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$14,122	\$0	\$123,588	\$0	\$137,710
Contracts Payable	26,630	0	0	0	26,630
Accrued Wages Payable	23,973	0	0	0	23,973
Intergovernmental Payable	345,919	0	0	0	345,919
Interfund Payable	30,315	0	41,744	0	72,059
Claims Payable	2,153	0	0	0	2,153
Deferred Revenue	400,868	0	0	0	400,868
Total Liabilities	843,980	0	165,332	0	1,009,312
Fund Balances					
Reserved for Permanent Fund	0	0	0	1,000	1,000
Reserved for Encumbrances	214,732	0	367,159	0	581,891
Unreserved	1,431,171	12,669	484,927	2,027	1,930,794
Total Fund Balances	1,645,903	12,669	852,086	3,027	2,513,685
Total Liabilities and Fund Balances	\$2,489,883	\$12,669	\$1,017,418	\$3,027	\$3,522,997

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Property Taxes	\$280,776	\$0	\$0	\$0	\$280,776
Municipal Income Taxes	1,480,569	0	687,951	0	2,168,520
Charges for Services	158,848	0	0	0	158,848
Fines, Licenses and Permits	51,922	0	0	0	51,922
Intergovernmental	1,766,046	0	0	0	1,766,046
Investment Earnings	216	0	0	40	256
Miscellaneous	74,674	0	34,971	0	109,645
Total Revenue	3,813,051	0	722,922	40	4,536,013
Expenditures					
<i>Current:</i>					
General Government	333,954	0	0	0	333,954
<i>Security of Persons and Property:</i>					
Police	432,846	0	0	0	432,846
Fire	550,439	0	0	0	550,439
Transportation	2,461,918	0	0	0	2,461,918
Community Environment	781,491	0	0	0	781,491
Leisure Time Activities	690,666	0	0	0	690,666
Capital Outlay	0	0	646,646	0	646,646
<i>Debt Service:</i>					
Principal Retirement	2,882	257,613	0	0	260,495
Interest and Fiscal Charges	270	66,154	0	0	66,424
Total Expenditures	5,254,466	323,767	646,646	0	6,224,879
Excess of Revenues Over (Under) Expenditures	(1,441,415)	(323,767)	76,276	40	(1,688,866)
Other Financing Sources (Uses)					
Inception of Capital Lease	14,112	0	0	0	14,112
Proceeds of Loan	0	0	126,126	0	126,126
Transfers-In	1,410,699	324,286	105,000	0	1,839,985
Transfers-Out	(302,434)	0	(236,562)	0	(538,996)
Total Other Sources (Uses)	1,122,377	324,286	(5,436)	0	1,441,227
Net Change in Fund Balances	(319,038)	519	70,840	40	(247,639)
Fund Balances at Beginning of Year	1,964,941	12,150	781,246	2,987	2,761,324
Fund Balances at End of Year	\$1,645,903	\$12,669	\$852,086	\$3,027	\$2,513,685

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City of Chillicothe, Ohio

Combining Balance Sheet
 Nonmajor Special Revenue Funds

December 31, 2005

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
Assets					
Equity in Pooled Cash & Cash Equivalents	\$20,955	\$113,854	\$234,049	\$28,896	\$35,934
Cash and Cash Equivalents in					
Segregated Accounts	0	0	3,943	0	0
Accounts Receivable	0	21	0	0	0
Interfund Receivable	0	4,663	0	0	0
Intergovernmental Receivable	41,926	0	115,300	33,002	0
Income Taxes Receivable	0	53,881	0	0	0
Property Taxes Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	2,758	0	0	1,037
Total Assets	\$62,881	\$175,177	\$353,292	\$61,898	\$36,971
Liabilities					
Accounts Payable	\$0	\$2,914	\$0	\$0	\$173
Contracts Payable	0	0	0	0	0
Accrued Wages Payable	1,389	5,413	0	0	0
Intergovernmental Payable	3,157	12,914	0	0	0
Interfund Payable	0	14	0	9,373	0
Claims Payable	168	594	0	0	0
Deferred Revenue	27,951	0	78,500	18,377	0
Total Liabilities	32,665	21,849	78,500	27,750	173
Fund Balances					
Reserved for Encumbrances	0	776	205,831	0	8,000
Unreserved	30,216	152,552	68,961	34,148	28,798
Total Fund Balances	30,216	153,328	274,792	34,148	36,798
Total Liabilities and Fund Balances	\$62,881	\$175,177	\$353,292	\$61,898	\$36,971

<u>Cablevision</u>	<u>Income Tax</u>	<u>Law Enforcement</u>	<u>Indigent Driver's Alcohol Treatment</u>	<u>OMVI Enforcement & Education</u>	<u>Mandatory Drug Fines</u>	<u>Parking</u>
\$5,765	\$450,172	\$70,339	\$159,366	\$12,577	\$42,474	\$108,565
0	0	0	566	115	426	0
0	0	1,742	0	0	0	0
0	0	0	0	0	0	0
0	0	0	4,803	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	302
<u>\$5,765</u>	<u>\$450,172</u>	<u>\$72,081</u>	<u>\$164,735</u>	<u>\$12,692</u>	<u>\$42,900</u>	<u>\$108,867</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$1,640
0	0	0	0	0	0	0
0	0	0	0	0	0	1,431
0	0	0	0	0	0	2,943
0	0	0	0	0	0	40
0	0	0	0	0	0	130
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>6,184</u>
0	0	0	0	0	0	125
<u>5,765</u>	<u>450,172</u>	<u>72,081</u>	<u>164,735</u>	<u>12,692</u>	<u>42,900</u>	<u>102,558</u>
<u>5,765</u>	<u>450,172</u>	<u>72,081</u>	<u>164,735</u>	<u>12,692</u>	<u>42,900</u>	<u>102,683</u>
<u>\$5,765</u>	<u>\$450,172</u>	<u>\$72,081</u>	<u>\$164,735</u>	<u>\$12,692</u>	<u>\$42,900</u>	<u>\$108,867</u>

continued

City of Chillicothe, Ohio

Combining Balance Sheet
Nonmajor Special Revenue Funds

December 31, 2005

	Bus Transit	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash & Cash Equivalents	\$517,620	\$817	\$531	\$1,801,914
Cash and Cash Equivalents in				
Segregated Accounts	0	0	0	5,050
Accounts Receivable	0	0	0	1,763
Interfund Receivable	0	0	0	4,663
Intergovernmental Receivable	52,068	4,884	4,884	256,867
Income Taxes Receivable	83,148	0	0	137,029
Property Taxes Receivable	0	133,136	133,136	266,272
Materials and Supplies Inventory	5,040	0	0	5,040
Prepaid Items	7,188	0	0	11,285
Total Assets	\$665,064	\$138,837	\$138,551	\$2,489,883
Liabilities				
Accounts Payable	\$9,395	\$0	\$0	\$14,122
Contracts Payable	26,630	0	0	26,630
Accrued Wages Payable	15,740	0	0	23,973
Intergovernmental Payable	31,515	132,409	162,981	345,919
Interfund Payable	20,888	0	0	30,315
Claims Payable	1,261	0	0	2,153
Deferred Revenue	0	138,020	138,020	400,868
Total Liabilities	105,429	270,429	301,001	843,980
Fund Balances				
Reserved for Encumbrances	0	0	0	214,732
Unreserved	559,635	(131,592)	(162,450)	1,431,171
Total Fund Balances	559,635	(131,592)	(162,450)	1,645,903
Total Liabilities and Fund Balances	\$665,064	\$138,837	\$138,551	\$2,489,883

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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, 2005

	State Highway	Parks & Recreation	HUD	Grants	Floodwall
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	594,404	0	0	0
Charges for Services	0	4,950	0	0	0
Fines, Licenses and Permits	0	20,220	0	0	0
Intergovernmental	75,933	0	601,962	85,638	0
Investment Earnings	0	0	216	0	0
Miscellaneous	802	14,625	8,873	11	0
Total Revenue	76,735	634,199	611,051	85,649	0
Expenditures					
<i>Current:</i>					
General Government	0	0	0	0	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Transportation	132,466	0	0	0	0
Community Environment	0	0	756,813	3,188	21,490
Leisure Time Activities	0	690,666	0	0	0
<i>Debt Service:</i>					
Principal Retirement	0	2,615	0	0	0
Interest and Fiscal Charges	0	187	0	0	0
Total Expenditures	132,466	693,468	756,813	3,188	21,490
Excess of Revenues Over (Under) Expenditures	(55,731)	(59,269)	(145,762)	82,461	(21,490)
Other Financing Sources (Uses)					
Inception of Capital Lease	0	10,458	0	0	0
Transfers-In	55,000	154,699	0	0	0
Transfers-Out	(16,000)	(601)	0	(91,435)	(10,500)
Total Other Sources (Uses)	39,000	164,556	0	(91,435)	(10,500)
Net Change in Fund Balances	(16,731)	105,287	(145,762)	(8,974)	(31,990)
Fund Balances at Beginning of Year	46,947	48,041	420,554	43,122	68,788
Fund Balances at End of Year	\$30,216	\$153,328	\$274,792	\$34,148	\$36,798

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	244,988	0	0	0	0	0
0	0	0	0	0	0	60,916
0	0	5,838	19,409	2,931	3,524	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	3,812
<u>0</u>	<u>244,988</u>	<u>5,838</u>	<u>19,409</u>	<u>2,931</u>	<u>3,524</u>	<u>64,728</u>
0	333,954	0	0	0	0	0
0	0	13,118	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	143,101
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>333,954</u>	<u>13,118</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>143,101</u>
<u>0</u>	<u>(88,966)</u>	<u>(7,280)</u>	<u>19,409</u>	<u>2,931</u>	<u>3,524</u>	<u>(78,373)</u>
0	0	0	0	0	0	0
0	375,000	0	0	0	0	105,000
0	(100,000)	(10,000)	0	(11,017)	0	(257)
<u>0</u>	<u>275,000</u>	<u>(10,000)</u>	<u>0</u>	<u>(11,017)</u>	<u>0</u>	<u>104,743</u>
0	186,034	(17,280)	19,409	(8,086)	3,524	26,370
<u>5,765</u>	<u>264,138</u>	<u>89,361</u>	<u>145,326</u>	<u>20,778</u>	<u>39,376</u>	<u>76,313</u>
<u>\$5,765</u>	<u>\$450,172</u>	<u>\$72,081</u>	<u>\$164,735</u>	<u>\$12,692</u>	<u>\$42,900</u>	<u>\$102,683</u>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2005

	Bus Transit	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Revenues				
Property Taxes	\$0	\$140,388	\$140,388	\$280,776
Municipal Income Taxes	641,177	0	0	1,480,569
Charges for Services	92,982	0	0	158,848
Fines, Licenses and Permits	0	0	0	51,922
Intergovernmental	999,085	1,714	1,714	1,766,046
Investment Earnings	0	0	0	216
Miscellaneous	46,551	0	0	74,674
Total Revenue	1,779,795	142,102	142,102	3,813,051
Expenditures				
<i>Current:</i>				
General Government	0	0	0	333,954
<i>Security of Persons and Property:</i>				
Police	0	419,728	0	432,846
Fire	0	0	550,439	550,439
Transportation	2,186,351	0	0	2,461,918
Community Environment	0	0	0	781,491
Leisure Time Activities	0	0	0	690,666
<i>Debt Service:</i>				
Principal Retirement	267	0	0	2,882
Interest and Fiscal Charges	83	0	0	270
Total Expenditures	2,186,701	419,728	550,439	5,254,466
Excess of Revenues Over (Under) Expenditures	(406,906)	(277,626)	(408,337)	(1,441,415)
Other Financing Sources (Uses)				
Inception of Capital Lease	3,654	0	0	14,112
Transfers-In	0	285,000	436,000	1,410,699
Transfers-Out	(20,424)	(9,200)	(33,000)	(302,434)
Total Other Sources (Uses)	(16,770)	275,800	403,000	1,122,377
Net Change in Fund Balances	(423,676)	(1,826)	(5,337)	(319,038)
Fund Balances at Beginning of Year	983,311	(129,766)	(157,113)	1,964,941
Fund Balances at End of Year	\$559,635	(\$131,592)	(\$162,450)	\$1,645,903

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City of Chillicothe, Ohio

Combining Balance Sheet
Nonmajor Capital Projects Funds

December 31, 2005

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
Assets			
Equity in Pooled Cash & Cash Equivalents	\$32,000	\$0	\$776,838
Income Tax Receivable	<u>0</u>	<u>0</u>	<u>83,148</u>
Total Assets	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$859,986</u></u>
Liabilities			
Accounts Payable	\$0	\$0	\$119,955
Interfund Payable	<u>0</u>	<u>0</u>	<u>20,872</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>140,827</u>
Fund Balances			
Reserved for Encumbrances	0	0	353,660
Unreserved	<u>32,000</u>	<u>0</u>	<u>365,499</u>
Total Fund Balances	<u>32,000</u>	<u>0</u>	<u>719,159</u>
Total Liabilities and Fund Balances	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$859,986</u></u>

<u>Landfill Closure</u>	<u>Parks & Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$5,034	\$49,826	\$41,303	\$905,001
<u>0</u>	<u>29,269</u>	<u>0</u>	<u>112,417</u>
<u>\$5,034</u>	<u>\$79,095</u>	<u>\$41,303</u>	<u>\$1,017,418</u>
\$0	\$0	\$3,633	\$123,588
<u>0</u>	<u>20,872</u>	<u>0</u>	<u>41,744</u>
<u>0</u>	<u>20,872</u>	<u>3,633</u>	<u>165,332</u>
0	8,662	4,837	367,159
<u>5,034</u>	<u>49,561</u>	<u>32,833</u>	<u>484,927</u>
<u>5,034</u>	<u>58,223</u>	<u>37,670</u>	<u>852,086</u>
<u>\$5,034</u>	<u>\$79,095</u>	<u>\$41,303</u>	<u>\$1,017,418</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, 2005

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
Revenues			
Municipal Income Taxes	\$0	\$0	\$641,177
Miscellaneous	0	0	23,454
Total Revenue	<u>0</u>	<u>0</u>	<u>664,631</u>
Expenditures			
Capital Outlay	0	126,126	429,797
Total Expenditures	<u>0</u>	<u>126,126</u>	<u>429,797</u>
Excess of Revenues Over (Under) Expenditures	0	(126,126)	234,834
Other Financing Sources (Uses)			
Proceeds of Loan	0	126,126	0
Transfers-In	100,000	0	0
Transfers-Out	0	0	(216,381)
Total Other Sources (Uses)	<u>100,000</u>	<u>126,126</u>	<u>(216,381)</u>
Net Change in Fund Balances	100,000	0	18,453
Fund Balances at Beginning of Year	<u>(68,000)</u>	<u>0</u>	<u>700,706</u>
Fund Balances at End of Year	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$719,159</u></u>

<u>Landfill Closure</u>	<u>Parks & Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$46,774	\$0	\$687,951
0	11,517	0	34,971
0	58,291	0	722,922
47,228	34,595	8,900	646,646
47,228	34,595	8,900	646,646
(47,228)	23,696	(8,900)	76,276
0	0	0	126,126
5,000	0	0	105,000
0	(20,181)	0	(236,562)
5,000	(20,181)	0	(5,436)
(42,228)	3,515	(8,900)	70,840
47,262	54,708	46,570	781,246
<u>\$5,034</u>	<u>\$58,223</u>	<u>\$37,670</u>	<u>\$852,086</u>

City of Chillicothe, Ohio

Statement of Changes in Assets & Liabilities
Agency Fund

For the Year Ended December 31, 2005

	<u>Balance 1/1/2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2005</u>
Deposits Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$23,856</u>	<u>\$4,521</u>	<u>\$4,664</u>	<u>\$23,713</u>
Total Assets	<u><u>\$23,856</u></u>	<u><u>\$4,521</u></u>	<u><u>\$4,664</u></u>	<u><u>\$23,713</u></u>
Liabilities				
Deposits Held and Due to Others	<u>\$23,856</u>	<u>\$4,521</u>	<u>\$4,664</u>	<u>\$23,713</u>
Total Liabilities	<u><u>\$23,856</u></u>	<u><u>\$4,521</u></u>	<u><u>\$4,664</u></u>	<u><u>\$23,713</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$9,221,047	\$9,296,018	\$9,382,204	\$86,186
Charges for Services	2,678,700	2,753,700	2,781,423	27,723
Fines, Licenses and Permits	1,285,000	1,395,000	1,487,631	92,631
Intergovernmental	1,594,734	1,738,733	1,729,505	(9,228)
Special Assessments	0	0	7,871	7,871
Investment Earnings	120,000	225,000	307,584	82,584
Miscellaneous	499,600	347,600	416,503	68,903
Total Revenue	15,399,081	15,756,051	16,112,721	356,670
Expenditures				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	303,300	322,650	322,283	367
Fringe Benefits	180,982	161,632	151,077	10,555
Travel Transportation	1,100	1,895	1,598	297
Materials and Supplies	58,200	54,010	36,810	17,200
Contractual Services	1,600	1,859	1,455	404
Capital Outlay	2,081	3,584	3,504	80
Other	3,925	5,558	4,777	781
Total Mayor	551,188	551,188	521,504	29,684
Economic Development				
Travel Transportation	6,000	4,930	1,233	3,697
Materials and Supplies	12,335	15,651	12,100	3,551
Contractual Services	3,700	2,004	1,692	312
Other	4,700	4,150	2,683	1,467
Total Economic Development	26,735	26,735	17,708	9,027
City Council				
Personal Services	57,981	57,981	57,981	0
Fringe Benefits	184,546	178,344	149,075	29,269
Travel Transportation	900	900	0	900
Materials and Supplies	400	400	0	400
Total City Council	243,827	237,625	207,056	30,569
Treasurer				
Personal Services	38,615	38,615	36,354	2,261
Fringe Benefits	49,193	49,193	42,118	7,075
Materials and Supplies	2,050	1,660	1,552	108
Contractual Services	2,000	1,821	1,819	2
Capital Outlay	8,500	15,099	15,097	2
Other	300	270	265	5
Total Treasurer	100,658	106,658	97,205	9,453

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income Tax Department				
Personal Services	114,650	114,650	112,226	2,424
Fringe Benefits	84,536	84,536	82,078	2,458
Travel Transportation	400	0	0	0
Materials and Supplies	13,025	11,872	7,643	4,229
Contractual Services	3,500	5,609	3,075	2,534
Other	750	194	15	179
Total Income Tax Department	216,861	216,861	205,037	11,824
Land and Buildings				
Materials and Supplies	146,300	146,716	115,916	30,800
Contractual Services	43,950	43,559	43,064	495
Capital Outlay	30,000	30,000	12,349	17,651
Other	25	0	0	0
Total Land and Buildings	220,275	220,275	171,329	48,946
Law Director				
Personal Services	281,150	282,750	281,817	933
Fringe Benefits	199,052	191,952	161,653	30,299
Travel Transportation	1,150	1,090	289	801
Materials and Supplies	29,975	30,815	28,293	2,522
Contractual Services	1,700	11,700	2,446	9,254
Capital Outlay	15,050	15,050	14,730	320
Other	2,225	50,732	50,502	230
Total Law Director	530,302	584,089	539,730	44,359
Auditor				
Personal Services	285,600	290,400	286,832	3,568
Fringe Benefits	143,000	143,700	139,277	4,423
Travel Transportation	3,200	3,600	3,357	243
Materials and Supplies	12,280	13,160	10,870	2,290
Capital Outlay	0	600	600	0
Other	3,200	1,320	982	338
Total Auditor	447,280	452,780	441,918	10,862
Municipal Court				
Personal Services	919,392	973,175	933,498	39,677
Fringe Benefits	537,863	522,196	478,421	43,775
Travel Transportation	4,500	4,400	2,524	1,876
Materials and Supplies	72,914	77,871	57,148	20,723
Contractual Services	4,400	4,400	2,194	2,206
Capital Outlay	150,084	173,040	159,830	13,210
Other	11,600	11,000	5,774	5,226
Total Municipal Court	1,700,753	1,766,082	1,639,389	126,693

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personal Services	40,400	41,500	39,397	2,103
Fringe Benefits	23,740	22,640	21,557	1,083
Travel Transportation	2,300	1,745	1,745	0
Materials and Supplies	19,000	17,955	16,687	1,268
Contractual Services	500	1,930	1,821	109
Capital Outlay	0	300	269	31
Other	1,900	1,645	1,645	0
Total Civil Service	87,840	87,715	83,121	4,594
Service Department				
Personal Services	82,124	82,724	81,011	1,713
Fringe Benefits	48,250	44,255	42,950	1,305
Materials and Supplies	6,560	6,194	4,497	1,697
Contractual Services	850	497	466	31
Other	50	769	767	2
Total Service Department	137,834	134,439	129,691	4,748
Engineering				
Personal Services	226,449	237,499	235,767	1,732
Fringe Benefits	157,699	158,701	151,733	6,968
Travel Transportation	11,900	11,850	10,880	970
Materials and Supplies	24,708	25,218	20,263	4,955
Contractual Services	48,500	46,175	33,770	12,405
Capital Outlay	1,275	18,309	18,164	145
Other	8,284	6,339	3,417	2,922
Total Engineering	478,815	504,091	473,994	30,097
Postage and Stores				
Materials and Supplies	75,000	75,000	57,934	17,066
Total Postage and Stores	75,000	75,000	57,934	17,066
Miscellaneous				
Fringe Benefits	66,650	66,650	37,474	29,176
Materials and Supplies	552,440	528,083	390,164	137,919
Contractual Services	129,660	145,960	123,237	22,723
Capital Outlay	13,486	20,686	16,307	4,379
Other	35,200	43,257	40,411	2,846
Total Miscellaneous	797,436	804,636	607,593	197,043
Total General Government	5,614,804	5,768,174	5,193,209	574,965
Security of Persons and Property				
Police Department				
Personal Services	2,296,508	2,396,062	2,377,287	18,775
Fringe Benefits	994,190	958,585	930,126	28,459
Travel Transportation	2,500	2,500	499	2,001
Materials and Supplies	153,723	175,893	136,687	39,206
Contractual Services	344,650	344,650	287,617	57,033
Other	35,600	35,600	13,704	21,896
Total Police Department	3,827,171	3,913,290	3,745,920	167,370

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department				
Personal Services	2,275,817	2,483,087	2,475,826	7,261
Fringe Benefits	885,806	849,157	827,966	21,191
Travel Transportation	1,300	1,300	392	908
Materials and Supplies	218,796	250,396	179,036	71,360
Contractual Services	18,000	17,480	14,674	2,806
Other	36,663	35,582	24,207	11,375
Total Fire Department	<u>3,436,382</u>	<u>3,637,002</u>	<u>3,522,101</u>	<u>114,901</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	3,810	3,810	3,806	4
Fringe Benefits	960	960	905	55
Contractual Services	4,000	4,000	4,000	0
Total Humane Officer	<u>8,770</u>	<u>8,770</u>	<u>8,711</u>	<u>59</u>
School Crossing Guards				
Personal Services	52,675	52,675	42,254	10,421
Fringe Benefits	12,400	12,400	9,996	2,404
Materials and Supplies	450	450	243	207
Total School Crossing Guards	<u>65,525</u>	<u>65,525</u>	<u>52,493</u>	<u>13,032</u>
Total Security of Persons and Property	<u>7,344,198</u>	<u>7,630,937</u>	<u>7,335,575</u>	<u>295,362</u>
Transportation				
Streets and Sidewalks				
Materials and Supplies	211,000	211,000	206,724	4,276
Total Streets and Sidewalks	<u>211,000</u>	<u>211,000</u>	<u>206,724</u>	<u>4,276</u>
Total Transportation	<u>211,000</u>	<u>211,000</u>	<u>206,724</u>	<u>4,276</u>
Community Environment				
Planning Commission				
Materials and Supplies	85	85	46	39
Total Planning Commission	<u>85</u>	<u>85</u>	<u>46</u>	<u>39</u>
Design and Review				
Other	500	500	0	500
Total Design and Review	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Community Environment	<u>585</u>	<u>585</u>	<u>46</u>	<u>539</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Refuse Department				
Personal Services	216,656	266,112	265,107	1,005
Fringe Benefits	134,742	157,350	153,526	3,824
Materials and Supplies	45,900	57,900	40,060	17,840
Contractual Services	419,000	419,000	414,000	5,000
Capital Outlay	0	111,138	111,138	0
Other	13,250	13,250	10,693	2,557
Total Refuse Department	829,548	1,024,750	994,524	30,226
Total Basic Utility Services	829,548	1,024,750	994,524	30,226
Leisure Time Activities				
Swimming Pool				
Personal Services	0	48,882	42,616	6,266
Fringe Benefits	0	8,618	6,393	2,225
Materials and Supplies	0	41,915	34,660	7,255
Contractual Services	0	300	133	167
Other	0	785	595	190
Total Swimming Pool	0	100,500	84,397	16,103
Total Leisure Time Activities	0	100,500	84,397	16,103
Total Expenditures	14,000,135	14,735,946	13,814,475	921,471
Excess of Revenues Over Expenditures	1,398,946	1,020,105	2,298,246	1,278,141
Other Financing Sources (Uses)				
Transfers-In	65,000	99,809	130,048	30,239
Transfers-Out	(1,957,071)	(2,002,782)	(1,930,421)	72,361
Advances-In	0	350,000	350,000	0
Total Other Sources (Uses)	(1,892,071)	(1,552,973)	(1,450,373)	102,600
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(493,125)	(532,868)	847,873	1,380,741
Fund Balances at Beginning of Year	1,193,979	1,193,979	1,193,979	0
Prior Year Encumbrances Appropriated	26,170	26,170	26,170	0
Fund Balances at End of Year	\$727,024	\$687,281	\$2,068,022	\$1,380,741

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$934,000	\$934,000	\$911,522	(\$22,478)
Miscellaneous	9,021	4,980	10,375	5,395
Total Revenue	943,021	938,980	921,897	(17,083)
Expenditures				
<i>Current:</i>				
Transportation				
Street Maintenance & Repair				
Personal Services	535,791	634,816	548,183	86,633
Fringe Benefits	340,573	371,153	301,545	69,608
Materials and Supplies	234,676	231,447	184,125	47,322
Contractual Services	7,300	30,850	7,580	23,270
Capital Outlay	1,057,600	1,057,600	1,054,232	3,368
Other	12,700	8,778	6,670	2,108
Debt Service	0	1,022,600	1,022,600	0
Total Transportation	2,188,640	3,357,244	3,124,935	232,309
Total Expenditures	2,188,640	3,357,244	3,124,935	232,309
Excess of Revenues (Under) Expenditures	(1,245,619)	(2,418,264)	(2,203,038)	215,226
Other Financing Sources				
Proceeds of Notes	0	800,000	800,000	0
Transfers-In	410,000	531,041	506,199	(24,842)
Transfers-Out	0	(22,000)	(12,613)	9,387
Total Other Sources	410,000	1,309,041	1,293,586	(15,455)
Excess of Revenues and Other Sources (Under) Expenditures	(835,619)	(1,109,223)	(909,452)	199,771
Fund Balances at Beginning of Year	42,550	42,550	42,550	0
Prior Year Encumbrances Appropriated	1,072,401	1,072,401	1,072,401	0
Fund Balances at End of Year	\$279,332	\$5,728	\$205,499	\$199,771

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$76,000	\$76,000	\$73,907	(\$2,093)
Miscellaneous	780	780	802	22
Total Revenue	76,780	76,780	74,709	(2,071)
Expenditures				
<i>Current:</i>				
Transportation				
State Highway Maintenance & Repair				
Personal Services	80,650	85,439	84,401	1,038
Fringe Benefits	54,436	49,647	48,740	907
Total Transportation	135,086	135,086	133,141	1,945
Total Expenditures	135,086	135,086	133,141	1,945
Excess of Revenues (Under) Expenditures	(58,306)	(58,306)	(58,432)	(126)
Other Financing Sources (Uses)				
Transfers-In	55,000	55,000	55,000	0
Transfers-Out	0	(16,000)	(16,000)	0
Total Other Sources	55,000	39,000	39,000	0
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(3,306)	(19,306)	(19,432)	(126)
Fund Balances at Beginning of Year	40,387	40,387	40,387	0
Fund Balances at End of Year	\$37,081	\$21,081	\$20,955	(\$126)

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$567,050	\$567,050	\$590,919	\$23,869
Charges for Services	250	250	4,950	4,700
Fines, Licenses and Permits	25,000	25,000	20,220	(4,780)
Other	15,680	15,680	14,604	(1,076)
Total Revenue	607,980	607,980	630,693	22,713
Expenditures				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	333,643	388,825	356,914	31,911
Fringe Benefits	230,896	216,715	196,201	20,514
Travel Transportation	1,190	850	32	818
Materials and Supplies	146,324	162,508	118,669	43,839
Contractual Services	5,965	6,763	3,902	2,861
Other	24,201	18,574	10,745	7,829
Total Leisure Time Activities	742,219	794,235	686,463	107,772
Total Expenditures	742,219	794,235	686,463	107,772
Excess of Revenues (Under) Expenditures	(134,239)	(186,255)	(55,770)	130,485
Other Financing Sources (Uses)				
Transfers-In	136,648	177,648	150,036	(27,612)
Transfers-Out	(800)	(800)	(601)	199
Total Other Sources (Uses)	135,848	176,848	149,435	(27,413)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,609	(9,407)	93,665	103,072
Fund Balances at Beginning of Year	19,417	19,417	19,417	0
Fund Balances at End of Year	\$21,026	\$10,010	\$113,082	\$103,072

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$873,287	\$873,287	\$727,166	(\$146,121)
Investment Earnings	0	0	198	198
Other	0	0	8,873	8,873
Total Revenue	873,287	873,287	736,237	(137,050)
Expenditures				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Materials and Supplies	614,729	666,103	584,187	81,916
Contractual Services	390,000	390,000	378,457	11,543
Total Community Environment	1,004,729	1,056,103	962,644	93,459
Total Expenditures	1,004,729	1,056,103	962,644	93,459
Excess of Revenues (Under) Expenditures	(131,442)	(182,816)	(226,407)	(43,591)
Fund Balances at Beginning of Year	8,619	8,619	8,619	0
Unexpended Prior Year Encumbrances	246,008	246,008	246,008	0
Fund Balances at End of Year	\$123,185	\$71,811	\$28,220	(\$43,591)

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, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$122,052	\$338,152	\$96,308	(\$241,844)
Investment Earnings	0	0	11	11
Total Revenue	<u>122,052</u>	<u>338,152</u>	<u>96,319</u>	<u>(241,833)</u>
Expenditures				
<i>Current:</i>				
Community Environment				
State Grants				
Contractual	4,041	0	0	0
Capital Outlay	3,179	3,190	3,188	2
Other	57,422	57,422	0	57,422
Total Community Environment	<u>64,642</u>	<u>60,612</u>	<u>3,188</u>	<u>57,424</u>
Total Expenditures	<u>64,642</u>	<u>60,612</u>	<u>3,188</u>	<u>57,424</u>
Excess of Revenues Over Expenditures	57,410	277,540	93,131	(184,409)
Other Financing (Uses)				
Transfers-Out	(60,739)	(164,839)	(94,176)	70,663
Total Other (Uses)	<u>(60,739)</u>	<u>(164,839)</u>	<u>(94,176)</u>	<u>70,663</u>
Excess of Revenues (Under) Expenditures and Other Uses	(3,329)	112,701	(1,045)	(113,746)
Fund Balances at Beginning of Year	29,941	29,941	29,941	0
Fund Balances at End of Year	<u>\$26,612</u>	<u>\$142,642</u>	<u>\$28,896</u>	<u>(\$113,746)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Travel Transportation	400	0	0	0
Materials and Supplies	16,050	16,420	15,376	1,044
Capital Outlay	25,687	25,687	13,917	11,770
Other	200	230	230	0
Total Community Environment	42,337	42,337	29,523	12,814
Total Expenditures	42,337	42,337	29,523	12,814
Excess of Revenues (Under) Expenditures	(42,337)	(42,337)	(29,523)	12,814
Other Financing (Uses)				
Transfers-Out	(10,500)	(10,500)	(10,500)	0
Total Other (Uses)	(10,500)	(10,500)	(10,500)	0
Excess of Revenues (Under) Expenditures and Other Uses	(52,837)	(52,837)	(40,023)	12,814
Fund Balances at Beginning of Year	64,270	64,270	64,270	0
Unexpended Prior Year Encumbrances	3,687	3,687	3,687	0
Fund Balances at End of Year	\$15,120	\$15,120	\$27,934	\$12,814

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget. Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$0	\$0	\$244,988	\$244,988
Total Revenue	0	0	244,988	244,988
Expenditures				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	375,000	375,000	333,954	41,046
Total General Government	375,000	375,000	333,954	41,046
Total Expenditures	375,000	375,000	333,954	41,046
Excess of Revenues (Under) Expenditures	(375,000)	(375,000)	(88,966)	\$286,034
Other Financing Sources (Uses)				
Transfers-In	375,000	375,000	375,000	0
Transfers-Out	0	(100,000)	(100,000)	0
Total Other Sources (Uses)	375,000	275,000	275,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	0	(100,000)	186,034	286,034
Fund Balances at Beginning of Year	264,138	264,138	264,138	0
Fund Balances at End of Year	\$264,138	\$164,138	\$450,172	\$286,034

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$15,000	\$15,000	\$4,096	(\$10,904)
Total Revenue	15,000	15,000	4,096	(10,904)
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education				
Other	10,000	15,000	13,118	1,882
Total Security of Persons and Property	10,000	15,000	13,118	1,882
Total Expenditures	10,000	15,000	13,118	1,882
Excess of Revenues Over Expenditures	5,000	0	(9,022)	(9,022)
Other Financing (Uses)				
Transfers-Out	0	(10,000)	(10,000)	0
Total Other (Uses)	0	(10,000)	(10,000)	0
Excess of Revenues Over (Under) Expenditures and Other Uses	5,000	(10,000)	(19,022)	(9,022)
Fund Balances at Beginning of Year	89,361	89,361	89,361	0
Fund Balances at End of Year	\$94,361	\$79,361	\$70,339	(\$9,022)

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$14,482</u>	<u>(\$518)</u>
Total Revenue	<u>15,000</u>	<u>15,000</u>	<u>14,482</u>	<u>(518)</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property Alcohol Treatment Contractual Services	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess of Revenues Over Expenditures	<u>10,000</u>	<u>10,000</u>	<u>14,482</u>	<u>4,482</u>
Fund Balances at Beginning of Year	<u>144,884</u>	<u>144,884</u>	<u>144,884</u>	<u>0</u>
Fund Balances at End of Year	<u>\$154,884</u>	<u>\$154,884</u>	<u>\$159,366</u>	<u>\$4,482</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$3,000	\$3,000	\$2,875	(\$125)
Total Revenue	3,000	3,000	2,875	(125)
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	10,000	8,983	0	8,983
Total Security of Persons and Property	10,000	8,983	0	8,983
Total Expenditures	10,000	8,983	0	8,983
Excess of Revenues Over (Under) Expenditures	(7,000)	(5,983)	2,875	8,858
Other Financing Sources (Uses)				
Transfers-Out	0	(11,017)	(11,017)	0
Total Other (Uses)	0	(11,017)	(11,017)	0
Excess of Revenues (Under) Expenditures and Other Uses	(7,000)	(17,000)	(8,142)	8,858
Fund Balances at Beginning of Year	20,719	20,719	20,719	0
Fund Balances at End of Year	\$13,719	\$3,719	\$12,577	\$8,858

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$3,000	\$3,000	\$3,509	\$509
Total Revenue	3,000	3,000	3,509	509
Expenditures				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education				
Other	1,000	1,000	0	1,000
Total Security of Persons and Property	1,000	1,000	0	1,000
Total Expenditures	1,000	1,000	0	1,000
Excess of Revenues Over Expenditures	2,000	2,000	3,509	1,509
Fund Balances at Beginning of Year	38,965	38,965	38,965	0
Fund Balances at End of Year	\$40,965	\$40,965	\$42,474	\$1,509

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$48,000	\$48,000	\$60,916	\$12,916
Miscellaneous	720	720	3,812	3,092
Total Revenue	48,720	48,720	64,728	16,008
Expenditures				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	75,950	80,601	80,150	451
Fringe Benefits	46,414	43,382	42,730	652
Travel Transportation	100	100	0	100
Materials and Supplies	22,550	20,832	13,920	6,912
Contractual Services	800	900	551	349
Capital Outlay	32,775	32,775	20,305	12,470
Other	1,250	1,250	568	682
Total Transportation	179,839	179,840	158,224	21,616
Total Expenditures	179,839	179,840	158,224	21,616
Excess of Revenues (Under) Expenditures	(131,119)	(131,120)	(93,496)	37,624
Other Financing Sources (Uses)				
Transfers-In	132,000	105,000	105,000	0
Transfers-Out	(700)	(700)	(257)	443
Total Other Sources (Uses)	131,300	104,300	104,743	443
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	181	(26,820)	11,247	38,067
Fund Balances at Beginning of Year	84,417	84,417	84,417	0
Unexpended Prior Year Encumbrances	12,775	12,775	12,775	0
Fund Balances at End of Year	\$97,373	\$70,372	\$108,439	\$38,067

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$610,040	\$610,050	\$635,799	\$25,749
Charges for Services	89,000	89,000	92,982	3,982
Intergovernmental	1,034,994	1,234,994	1,259,132	24,138
Miscellaneous	18,840	18,840	46,551	27,711
Total Revenue	1,752,874	1,952,884	2,034,464	81,580
Expenditures				
<i>Current:</i>				
Transportation				
Bus Transit System				
Personal Services	865,200	872,450	847,604	24,846
Fringe Benefits	499,642	492,392	423,323	69,069
Travel Transportation	2,400	69	69	0
Materials and Supplies	198,370	237,205	212,820	24,385
Contractual Services	14,050	295,840	254,333	41,507
Capital Outlay	106,036	192,632	189,108	3,524
Other	218,200	209,907	209,492	415
Total Transportation	1,903,898	2,300,495	2,136,749	163,746
Total Expenditures	1,903,898	2,300,495	2,136,749	163,746
Excess of Revenues (Under) Expenditures	(151,024)	(347,611)	(102,285)	245,326
Other Financing (Uses)				
Transfers-Out	(23,500)	(23,500)	(20,424)	3,076
Total Other (Uses)	(23,500)	(23,500)	(20,424)	3,076
Excess of Revenues (Under) Expenditures and Other Uses	(174,524)	(371,111)	(122,709)	248,402
Fund Balances at Beginning of Year	601,091	601,091	601,091	0
Prior Year Encumbrances Appropriated	39,236	39,236	39,236	0
Fund Balances at End of Year	\$465,803	\$269,216	\$517,618	\$248,402

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$133,771	\$143,157	\$140,388	(\$2,769)
Intergovernmental	0	0	1,714	1,714
Total Revenue	<u>133,771</u>	<u>143,157</u>	<u>142,102</u>	<u>(1,055)</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	438,000	438,000	416,702	21,298
Other	3,000	3,000	2,912	88
Total Security of Persons & Property	<u>441,000</u>	<u>441,000</u>	<u>419,614</u>	<u>21,386</u>
Total Expenditures	<u>441,000</u>	<u>441,000</u>	<u>419,614</u>	<u>21,386</u>
Excess of Revenues (Under) Expenditures	(307,229)	(297,843)	(277,512)	20,331
Other Financing Sources (Uses)				
Transfers-In	363,000	363,000	285,000	(78,000)
Transfers-Out	(9,200)	(9,200)	(9,200)	0
Total Other Sources (Uses)	<u>353,800</u>	<u>353,800</u>	<u>275,800</u>	<u>(78,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	46,571	55,957	(1,712)	(57,669)
Fund Balances at Beginning of Year	<u>2,529</u>	<u>2,529</u>	<u>2,529</u>	<u>0</u>
Fund Balances at End of Year	<u>\$49,100</u>	<u>\$58,486</u>	<u>\$817</u>	<u>(\$57,669)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$133,771	\$143,157	\$140,388	(\$2,769)
Intergovernmental	0	0	1,714	1,714
Total Revenue	<u>133,771</u>	<u>143,157</u>	<u>142,102</u>	<u>(1,055)</u>
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	538,500	544,600	544,084	516
Other	3,000	3,000	2,912	88
Total Security of Persons & Property	<u>541,500</u>	<u>547,600</u>	<u>546,996</u>	<u>604</u>
Total Expenditures	<u>541,500</u>	<u>547,600</u>	<u>546,996</u>	<u>604</u>
Excess of Revenues (Under) Expenditures	(407,729)	(404,443)	(404,894)	(451)
Other Financing Sources (Uses)				
Transfers-In	463,500	463,500	436,000	(27,500)
Transfers-Out	(33,000)	(33,000)	(33,000)	0
Total Other Sources (Uses)	<u>430,500</u>	<u>430,500</u>	<u>403,000</u>	<u>(27,500)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	22,771	26,057	(1,894)	(27,951)
Fund Balances at Beginning of Year	<u>2,424</u>	<u>2,424</u>	<u>2,424</u>	<u>0</u>
Fund Balances at End of Year	<u>\$25,195</u>	<u>\$28,481</u>	<u>\$530</u>	<u>(\$27,951)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Debt Service:</i>				
Principal Retirement	267,000	267,000	257,613	9,387
Interest and Fiscal Charges	66,200	66,200	66,154	46
Total Debt Service	333,200	333,200	323,767	9,433
Total Expenditures	333,200	333,200	323,767	9,433
Excess of Revenues (Under) Expenditures	(333,200)	(333,200)	(323,767)	9,433
Other Financing Sources				
Transfers-In	333,673	333,673	324,286	(9,387)
Total Other Sources	333,673	333,673	324,286	(9,387)
Excess of Revenues and Other Sources Over Expenditures	473	473	519	46
Fund Balances at Beginning of Year	12,151	12,151	12,151	0
Fund Balances at End of Year	\$12,624	\$12,624	\$12,670	\$46

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Capital Outlay</i>				
Capital Outlay	0	100,000	100,000	0
Total Capital Outlay	0	100,000	100,000	0
Total Expenditures	0	100,000	100,000	0
Excess of Revenues Over (Under) Expenditures	0	(100,000)	(100,000)	0
Other Financing Sources				
Transfers-In	0	100,000	100,000	0
Total Other Sources	0	100,000	100,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures	0	0	0	0
Fund Balances at Beginning of Year	32,000	32,000	32,000	0
Fund Balances at End of Year	\$32,000	\$32,000	\$32,000	\$0

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Capital Outlay</i>				
Capital Outlay	0	220,000	126,126	93,874
Total Capital Outlay	0	220,000	126,126	93,874
Total Expenditures	0	220,000	126,126	93,874
Excess of Revenues Over (Under) Expenditures	0	(220,000)	(126,126)	(93,874)
Other Financing Sources				
Proceeds of Loan	220,000	220,000	126,126	(93,874)
Total Other Sources	220,000	220,000	126,126	(93,874)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	220,000	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$220,000	\$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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$610,050	\$610,050	\$635,799	\$25,749
Miscellaneous	0	0	23,454	23,454
Total Revenue	610,050	610,050	659,253	49,203
Expenditures				
Capital Outlay				
Capital Outlay	711,752	899,896	676,877	223,019
Total Capital Outlay	711,752	899,896	676,877	223,019
Total Expenditures	711,752	899,896	676,877	223,019
Excess of Revenues Over Expenditures	(101,702)	(289,846)	(17,624)	272,222
Other Financing (Uses)				
Transfers-In	0	134,100	0	(134,100)
Transfers-Out	(219,200)	(219,200)	(216,381)	2,819
Total Other (Uses)	(219,200)	(85,100)	(216,381)	(131,281)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(320,902)	(374,946)	(234,005)	140,941
Fund Balances at Beginning of Year	632,846	632,846	632,846	0
Prior Year Encumbrances Appropriated	23,482	23,482	23,482	0
Fund Balances at End of Year	\$335,426	\$281,382	\$422,323	\$140,941

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay				
Capital Outlay	50,000	50,000	47,636	2,364
Total Capital Outlay	50,000	50,000	47,636	2,364
Total Expenditures	50,000	50,000	47,636	2,364
Excess of Revenues (Under) Expenditures	(50,000)	(50,000)	(47,636)	2,364
Other Financing Sources				
Transfers-In	5,000	5,000	5,000	0
Total Other Sources	5,000	5,000	5,000	0
Excess of Revenues and Other Sources (Under) Expenditures	(45,000)	(45,000)	(42,636)	2,364
Fund Balances at Beginning of Year	47,670	47,670	47,670	0
Fund Balances at End of Year	\$2,670	\$2,670	\$5,034	\$2,364

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$43,000	\$43,000	\$44,881	\$1,881
Intergovernmental	350,000	350,000	350,000	0
Miscellaneous	14,000	14,000	11,517	(2,483)
Total Revenue	407,000	407,000	406,398	(602)
Expenditures				
Capital Outlay				
Materials and Supplies	11,000	11,000	9,416	1,584
Capital Outlay	52,164	54,394	33,150	21,244
Total Capital Outlay	63,164	65,394	42,566	22,828
Total Expenditures	63,164	65,394	42,566	22,828
Excess of Revenues Over Expenditures	343,836	341,606	363,832	22,226
Other Financing Sources (Uses)				
Transfers-Out	(23,000)	(23,000)	(20,181)	2,819
Advances-Out	(350,000)	(350,000)	(350,000)	0
Total Other (Uses)	(373,000)	(373,000)	(370,181)	2,819
Excess of Revenues (Under) Expenditures and Other Uses	(29,164)	(31,394)	(6,349)	25,045
Fund Balances at Beginning of Year	47,514	47,514	47,514	0
Fund Balances at End of Year	\$18,350	\$16,120	\$41,165	\$25,045

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay				
Capital Outlay	14,863	14,863	10,917	3,946
Total Capital Outlay	14,863	14,863	10,917	3,946
Total Expenditures	14,863	14,863	10,917	3,946
Excess of Revenues (Under) Expenditures	(14,863)	(14,863)	(10,917)	(3,946)
Fund Balances at Beginning of Year	41,708	41,708	41,708	0
Prior Year Encumbrances Appropriated	4,863	4,863	4,863	0
Fund Balances at End of Year	\$31,708	\$31,708	\$35,654	(\$3,946)

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	\$40	\$40	\$40	\$0
Total Revenue	40	40	40	0
Expenditures				
<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	(1,160)	(1,160)	40	1,200
Fund Balances at Beginning of Year	2,987	2,987	2,987	0
Fund Balances at End of Year	<u>\$1,827</u>	<u>\$1,827</u>	<u>\$3,027</u>	<u>\$1,200</u>

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,300,000	\$4,300,000	\$4,471,776	\$171,776
Investment Income	2,000	2,000	52,464	50,464
Other Operating Revenue	12,920	12,920	28,185	15,265
Total Revenue	4,314,920	4,314,920	4,552,425	237,505
Expenses				
<i>Current:</i>				
Personal Services	954,550	1,032,771	1,007,104	25,667
Fringe Benefits	567,575	543,354	523,566	19,788
Travel Transportation	450	396	0	396
Contractual Services	323,400	312,265	238,771	73,494
Materials and Supplies	695,144	711,890	619,461	92,429
Other Operating Expenses	547,345	545,319	540,042	5,277
Capital Outlay	353,609	418,806	356,230	62,576
<i>Debt Service:</i>				
Principal Retirement	267,000	2,130,000	2,130,000	0
Interest and Fiscal Charges	66,200	378,720	378,632	88
Total Expenses	3,775,273	6,073,521	5,793,806	279,715
Excess of Revenues Over (Under) Expenses	539,647	(1,758,601)	(1,241,381)	517,220
Other Financing Sources (Uses)				
Proceeds of Notes	0	900,000	900,000	0
Transfers-Out	(4,100)	(4,101)	(3,949)	152
Total Other Sources (Uses)	(4,100)	895,899	896,051	152
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	535,547	(862,702)	(345,330)	517,372
Fund Equity at Beginning of Year	6,152,802	6,152,802	6,152,802	0
Prior Year Encumbrances Appropriated	365,816	365,816	365,816	0
Fund Equity at End of Year	\$7,054,165	\$5,655,916	\$6,173,288	\$517,372

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,940,000	\$2,940,000	\$3,061,201	\$121,201
Investment Income	500	500	8,617	8,117
Other Operating Revenues	9,060	9,060	11,620	2,560
Total Revenue	2,949,560	2,949,560	3,081,438	131,878
Expenses				
<i>Current:</i>				
Personal Services	927,754	1,000,968	948,022	52,946
Fringe Benefits	615,784	596,570	543,991	52,579
Travel Transportation	1,450	494	194	300
Contractual Services	56,425	131,425	102,335	29,090
Materials and Supplies	359,716	365,855	281,652	84,203
Other Operating Expenses	379,170	376,223	372,513	3,710
Capital Outlay	471,467	1,096,664	905,946	190,718
<i>Debt Service:</i>				
Principal Retirement	315,000	315,000	315,000	0
Interest and Fiscal Charges	116,200	116,200	116,187	13
Total Expenses	3,242,966	3,999,399	3,585,840	413,559
Excess of Revenues (Under) Expenses	(293,406)	(1,049,839)	(504,402)	545,437
Other Financing Sources (Uses)				
Transfers-In	30,000	30,000	30,000	0
Transfers-Out	(4,050)	(4,150)	(3,991)	159
Total Other Sources (Uses)	25,950	25,850	26,009	159
Excess of Revenues and Other Sources (Under) Expenses and Other Uses	(267,456)	(1,023,989)	(478,393)	545,596
Fund Equity at Beginning of Year	3,031,486	3,031,486	3,031,486	0
Unexpended Prior Year Encumbrances	26,748	26,748	26,748	0
Fund Equity at End of Year	\$2,790,778	\$2,034,245	\$2,579,841	\$545,596

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$15,000	\$15,000	\$9,837	(\$5,163)
Total Revenue	15,000	15,000	9,837	(5,163)
Expenditures				
<i>Current:</i>				
General Government				
Unclaimed Monies				
Other	1,500	1,500	130	1,370
Total General Government	1,500	1,500	130	1,370
Total Expenditures	1,500	1,500	130	1,370
Excess of Revenues Over Expenditures	13,500	13,500	9,707	(3,793)
Other Financing (Uses)				
Transfers-Out	(10,500)	(10,500)	(8,858)	1,642
Total Other (Uses)	(10,500)	(10,500)	(8,858)	1,642
Excess of Revenues Over Expenditures and Other Uses	3,000	3,000	849	(2,151)
Fund Balances at Beginning of Year	64,235	64,235	64,235	0
Fund Balances at End of Year	\$67,235	\$67,235	\$65,084	(\$2,151)

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

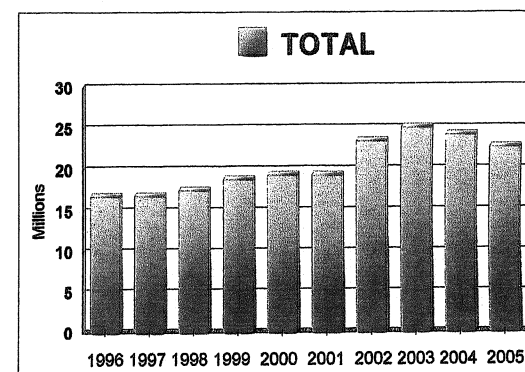
Table 1

	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government	\$3,719,934	\$4,261,976	\$4,483,092	\$4,743,515	\$4,852,165	\$5,186,334	\$8,253,668	\$7,393,976	\$7,151,308	\$7,225,043
Security of Persons & Property	6,534,995	6,066,279	6,596,471	7,265,341	7,749,666	7,863,743	8,476,179	8,711,972	8,993,943	8,294,539
Transportation	3,043,442	2,947,119	3,032,695	2,951,151	3,144,877	3,021,633	3,336,160	3,439,101	4,324,254	3,759,348
Community Environment	1,002,976	835,453	397,983	296,156	601,779	432,699	533,551	701,489	388,920	791,855
Basic Utility Services	689,479	741,063	833,684	963,720	1,018,359	1,038,420	893,922	890,736	916,882	806,492
Leisure Time Activities	608,682	615,619	633,893	680,082	708,576	730,341	771,929	822,761	830,216	776,363
Capital Outlay	575,199	756,275	940,767	760,693	602,319	508,306	616,504	525,325	1,210,634	646,646
Debt Service	640,476	615,932	597,453	1,194,722	672,884	559,492	552,826	2,601,970	390,961	408,798
Total	\$16,815,183	\$16,839,716	\$17,516,038	\$18,855,380	\$19,350,625	\$19,340,968	\$23,434,739	\$25,087,330	\$24,207,118	\$22,709,084

Source: Chillicothe City Auditor

(1) 1996 - 2005 are reported on GAAP basis; 1996 - 2001 did not report the City's Municipal Court operations as a part of the general governmental expenditures.

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



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

Table 2

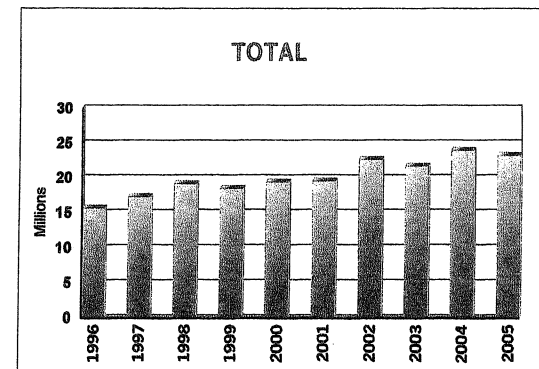
YEAR	LOCAL TAXES	CHARGES FOR SERVICES	FINES, LICENSES & PERMITS	INTER-GOVERNMENTAL	SPECIAL ASSESSMENTS	INTEREST	OTHER	TOTAL
1996 (1)	\$8,951,489	\$674,140	\$1,086,366	\$3,690,474	\$129,767	\$610,183	\$508,821	\$15,651,240
1997 (1)	9,603,877	2,078,501	1,191,387	3,344,926	126,986	542,494	427,492	17,315,663
1998 (1)	10,223,543	2,257,395	1,439,458	3,658,562	119,265	658,762	821,781	19,178,766
1999 (1)	10,406,953	1,666,596	1,481,959	3,707,165	130,183	662,905	397,458	18,453,219
2000 (1)	10,683,702	1,646,356	1,503,614	3,808,469	123,662	948,055	674,489	19,388,347
2001 (1)	11,050,649	1,715,355	1,600,285	4,033,644	12,628	690,107	407,108	19,509,776
2002 (1)	11,066,815	2,211,337	4,451,859	4,357,747	3,689	266,635	308,983	22,667,065
2003 (1)	10,984,741	2,732,346	3,077,953	4,210,207	3,430	144,920	564,002	21,717,599
2004 (1)	11,599,319	2,878,583	3,153,361	5,332,461	5,222	146,091	837,783	23,952,820
2005 (1)	11,846,541	2,928,451	3,313,382	4,279,833	7,871	302,373	526,713	23,205,164

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Source: Chillicothe City Auditor

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

(1) 1996 - 2005 are reported on GAAP basis; 1996 - 2001 did not report the City's Municipal Court operations as a part of the general governmental revenues.



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

Table 3

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

Source: Ross County Auditor

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

Table 4

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITY PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	EST. ACTUAL VALUE	ASSESSED VALUE	EST. ACTUAL VALUE	ASSESSED VALUE	EST. ACTUAL VALUE	(1) ASSESSED VALUE	(2) ESTIMATED ACTUAL VALUE	
1996	\$227,459,300	\$649,883,714	\$122,362,540	\$489,450,160	\$24,358,590	\$27,680,216	\$374,180,430	\$1,167,014,090	32.06%
1997	232,568,730	664,482,086	134,527,400	538,109,600	23,681,060	26,910,295	390,777,190	1,229,501,981	31.78%
1998	238,158,710	680,453,457	127,875,960	511,503,840	23,974,270	27,243,489	390,008,940	1,219,200,786	31.99%
1999	273,952,180	782,720,514	133,939,782	535,759,128	25,596,250	29,086,648	433,488,212	1,347,566,290	32.17%
2000	277,047,580	791,564,514	138,200,360	552,801,440	25,226,420	28,666,386	440,474,360	1,373,032,340	32.08%
2001	281,716,700	804,904,857	134,758,760	539,035,040	26,229,520	29,806,273	442,704,980	1,373,746,170	32.23%
2002	317,916,300	908,332,286	126,066,490	525,277,042	22,138,160	25,157,000	466,120,950	1,458,766,328	31.95%
2003	320,113,840	914,610,971	136,569,160	593,778,956	25,010,810	28,421,375	481,693,810	1,536,811,302	31.34%
2004	325,706,610	930,590,314	99,150,970	431,091,174	21,397,510	24,315,352	446,255,090	1,385,996,840	32.20%
2005	356,696,600	1,019,133,142	88,563,590	385,059,087	21,343,390	24,253,852	466,603,580	1,428,446,081	32.67%

Source: Ross County Auditor

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

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

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

Table 5

<u>YEAR</u>	<u>DELINQUENT ASSESSMENTS</u>	<u>CURRENT ASSESSMENTS BILLED</u>	<u>TOTAL ASSESSMENTS BILLED</u>	<u>TOTAL ASSESSMENTS COLLECTED</u>	<u>RATIO OF ASSESSMENTS COLLECTED TO ASSESSMENTS BILLED</u>	<u>OUTSTANDING DELINQUENT ASSESSMENTS</u>
1996	\$34,667	\$122,158	\$156,825	\$130,816	83.42%	\$26,009
1997	15,070	139,067	154,137	138,364	89.77%	15,773
1998	18,224	120,639	138,863	119,916	86.36%	18,947
1999	21,222	127,460	148,682	132,142	88.88%	16,540
2000	19,073	122,480	141,553	120,700	85.27%	20,853
2001	15,899	6,695	22,594	14,998	66.38%	7,596
2002	3,727	2,387	6,114	5,345	87.42%	769
2003	947	13,884	14,831	11,047	74.49%	3,784
2004	4,446	15,132	19,578	13,514	69.03%	6,064
2005	6,326	15,017	21,343	17,454	81.78%	3,889

Source: Ross County Auditor

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

Table 6

YEAR	(1) POPULATION	(2) ASSESSED VALUE	GROSS BONDED DEBT	(3) LESS DEBT SERVICE FUNDS	(4) LESS SELF- SUPPORTING DEBT	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1996	22,176	\$374,180,430	\$22,555,000	\$46,262	\$18,855,000	\$3,653,738	0.976%	164.76
1997	22,176	390,777,190	21,475,000	58,131	18,020,000	3,396,869	0.869%	153.18
1998	22,726	390,008,940	20,355,000	70,396	17,150,000	3,134,604	0.804%	137.93
1999	22,726	433,488,212	19,740,000	78,705	16,240,000	3,421,295	0.789%	150.55
2000	22,041	440,474,360	18,500,000	92,536	15,290,000	3,117,464	0.708%	141.44
2001	22,041	442,704,980	17,305,000	99,783	14,410,000	2,795,217	0.631%	126.82
2002	21,796	466,120,950	16,060,000	104,236	13,490,000	2,465,764	0.529%	113.13
2003	21,796	481,693,810	17,060,000	62,044	14,655,000	2,342,956	0.486%	107.49
2004	21,796	446,255,090	15,670,000	12,150	13,510,000	2,147,850	0.481%	98.54
2005	21,796	466,603,580	14,180,000	12,669	12,265,000	1,902,331	0.408%	87.28

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

(2) From Table 4

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

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

**CITY OF CHILLICOTHE
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005**

Table 7

Total Of All City Debt Outstanding.	\$15,993,513
Debt Exempt from Computation:	
Notes Payable from Governmental Fund Revenues.	\$800,000
Revenue Bonds Payable from Enterprise Fund Revenues	10,330,000
G. O. Bonds Payable from Enterprise Fund Revenues.	1,935,000
Notes Payable from Enterprise Fund Revenues.	900,000
OPWC Loan Payable from Governmental Fund Revenues	113,513
Total Exempt Debt	<u>14,078,513</u>
Net Indebtedness (Voted and Unvoted)	1,915,000
Less: Available funds in Debt Service Fund as of December 31, 2005	<u>12,669</u>
Total Net Indebtedness Subject to Direct Debt Limitation	<u>\$1,902,331</u>
Assessed Valuation of City (2005 collection year).	<u>\$466,603,580</u>
Direct Debt Limitation (10.5% of City Assessed Valuation)	\$48,993,376
Total Net Indebtedness Subject to 10.5% Debt Limitation	<u>1,902,331</u>
DIRECT DEBT MARGIN	<u>\$47,091,045</u>
Unvoted Debt Limitation (5.5% of City Assessed Valuation)	\$25,663,197
Total Net Indebtedness Subject to 5.5% Debt Limitation	<u>1,902,331</u>
UNVOTED DEBT MARGIN	<u>\$23,760,866</u>

Source: Chillicothe City Auditor

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

Table 8

YEAR	CITY OF CHILlicoTHE			ROSS COUNTY			CHILlicoTHE CITY SCHOOL DISTRICT				TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL COUNTY MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL SCHOOL MILLAGE	OTHER	
1996	3.20	0.00	3.20	10.90	0.00	10.90	37.70	0.70	38.40	3.80	56.30
1997	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.40	38.10	3.80	54.50
1998	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.20	37.90	3.80	54.30
1999	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.10	37.80	3.80	54.20
2000	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.04	37.74	3.80	54.14
2001	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2002	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2003	3.20	0.00	3.20	9.40	0.00	9.40	37.70	0.00	37.70	3.80	54.10
2004	3.20	0.00	3.20	9.80	0.00	9.80	37.70	0.00	37.70	3.80	54.50
2005	3.20	0.00	3.20	10.40	0.00	10.40	40.20	4.47	44.67	3.80	62.07

Source: Ross County Auditor

**CITY OF CHILlicoTHE
COMPUTATION OF DIRECT AND OVERLAPPING
NET GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2005**

Table 9

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

City of Chillicothe	\$1,902,331	100.00%	\$1,902,331
Overlapping			

Ross County	9,918,475	43.04%	4,268,912
Union-Scioto Local Schools	3,192,431	15.51%	495,146
Southeastern Local Schools	3,228,818	7.29%	235,381
Springfield Township	197,560	3.52%	6,954
Zane Trace Local School	3,523,973	0.91%	32,068
Chillicothe City Schools	33,636,570	93.49%	31,446,829
Scioto Township	148,618	85.92%	<u>127,693</u>
Sub-Total Overlapping Districts			<u>36,612,983</u>
Grand Total			<u><u>\$38,515,314</u></u>

Source: Chillicothe City Auditor/Ross County Auditor

NOTE: Net General Obligation Bonded Debt includes General Obligation Bonds Payable less self-supporting Enterprise Debt and amounts available in Debt Service Funds.

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

Table 10

YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICES	(2) TOTAL GENERAL GOVERNMENT EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1996	\$235,000	\$218,369	\$453,369	\$16,815,183	2.70%
1997	245,000	207,793	452,793	16,839,716	2.69%
1998	250,000	196,155	446,155	17,516,038	2.55%
1999	280,000	198,684	478,684	18,855,380	2.54%
2000	290,000	199,434	489,434	19,350,625	2.53%
2001	315,000	184,194	499,194	19,340,968	2.58%
2002	325,000	167,379	492,379	23,434,739	2.10%
2003	245,000	62,044	307,044	25,087,330	1.22%
2004	245,000	71,414	316,414	24,207,118	1.31%
2005	245,000	66,153	311,153	22,709,084	1.37%

Source: Chillicothe City Auditor

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

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

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

Table 11

<u>YEAR</u>	<u>(1) POPULATION</u>	<u>(1) PER CAPITA INCOME</u>	<u>(1) MEDIAN AGE</u>	<u>(2) SCHOOL ENROLLMENT</u>	<u>(3) ROSS COUNTY UNEMPLOYMENT</u>	<u>(3) STATE OF OHIO UNEMPLOYMENT</u>	<u>(3) UNITED STATES UNEMPLOYMENT</u>
1996	22,176	\$12,529	37.2	4,256	6.1%	4.9%	5.4%
1997	22,176	12,529	37.2	4,091	5.8%	4.5%	4.9%
1998	22,726	12,529	37.2	4,120	4.9%	3.9%	4.5%
1999	22,726	12,529	37.2	4,280	4.4%	4.0%	4.1%
2000	22,041	12,529	37.2	4,230	5.7%	3.9%	4.0%
2001	22,041	12,529	40.0	4,017	6.4%	5.3%	5.5%
2002	21,796	19,101	40.0	3,841	6.2%	5.7%	5.8%
2003	21,796	19,101	40.0	3,743	7.1%	6.0%	6.0%
2004	21,796	19,101	40.0	3,733	9.1%	6.1%	5.4%
2005	21,796	23,123	40.0	3,350	7.3%	5.9%	5.1%

Data Sources:

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

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

Table 12

YEAR	REAL PROPERTY VALUE (1)				NEW CONSTRUCTION (2)			(3) BANK DEPOSITS
	COMMERCIAL/ INDUSTRIAL	AGRICULTURAL/ RESIDENTIAL	EXEMPTIONS	TOTAL	COMMERCIAL/ INDUSTRIAL CONSTRUCTION	AGRICULTURAL/ RESIDENTIAL CONSTRUCTION	TOTAL	
1996	\$229,934,086	\$419,949,628	\$122,777,857	\$772,661,571	\$3,102,600	\$7,708,029	\$10,810,629	\$86,441,000
1997	238,616,029	425,866,057	124,078,000	788,560,086	8,781,429	5,657,943	14,439,372	87,351,000
1998	248,676,257	431,777,200	124,876,257	805,329,714	8,558,000	4,733,571	13,291,571	92,107,000
1999	276,558,543	506,161,971	126,838,342	909,558,856	7,365,457	5,895,829	13,261,286	90,807,000
2000	276,887,200	514,677,314	130,149,400	921,713,914	3,623,886	7,827,771	11,451,657	86,959,000
2001	279,956,714	524,948,143	131,717,886	936,622,743	4,139,514	5,664,542	9,804,056	99,668,000
2002	309,259,086	599,073,200	147,701,771	1,056,034,057	2,812,742	5,379,371	8,192,113	109,916,000
2003	310,573,971	604,037,000	148,345,286	1,062,956,257	2,102,629	5,771,771	7,874,400	114,375,000
2004	315,305,857	615,284,457	151,620,486	1,082,210,800	4,646,800	9,206,229	13,853,029	112,049,000
2005	336,242,886	682,890,257	152,402,714	1,171,535,857	8,220,629	11,849,914	20,070,543	99,581,000

(1) Estimated actual real property value from Table 4

(2) Source: Ross County Auditor

(3) Source: Federal Reserve Bank of Cleveland

**CITY OF CHILlicoTHE
PRINCIPAL REAL & PERSONAL PROPERTY TAXPAYERS
DECEMBER 31, 2005**

Table 13

Taxpayers	Type	Real Estate Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
NewPage	Paper Manufacturer	\$26,990,630	\$52,314,810	\$79,305,440	17.00%
Horizon Telcom, Inc	Telephone/Communications	2,320,390	8,908,330	11,228,720	2.41%
American Electric Power	Electric Utility	603,290	10,012,670	10,615,960	2.28%
PPG Industries, Inc.	Distribution Center	2,810,420	2,203,300	5,013,720	1.07%
Chillicothe Mall	Shopping Center	3,454,820	0	3,454,820	0.74%
Central Center LTD.	Shopping Center	2,899,370	0	2,899,370	0.62%
Onp Holding, Inc. (Nourse)	Automobile Dealership	836,500	1,779,360	2,615,860	0.56%
Real Estate Finance Trust	Shopping Center	2,328,100	0	2,328,100	0.50%
Zane Plaza LLC	Shopping Center	2,061,970	0	2,061,970	0.44%
DDR Chillicothe LLC	Shopping Center	1,795,090	0	1,795,090	0.38%
Total Top Ten Taxpayers		46,100,580	75,218,470	121,319,050	26.00%
All Others		<u>310,596,020</u>	<u>34,688,510</u>	<u>345,284,530</u>	74.00%
TOTAL		<u>\$356,696,600</u>	<u>\$109,906,980</u>	<u>\$466,603,580</u>	<u>100.00%</u>

Source: Ross County Auditor

**CITY OF CHILLICOTHE
ENTERPRISE REVENUE BOND COVERAGE
DECEMBER 31, 2005**

Table 14

YEAR	(1) GROSS REVENUE	EXPENSES, NET OF DEPRECIATION AND INTEREST	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
<u>Water Fund Bond Coverage:</u>							
1996	\$3,807,968	\$1,473,090	\$2,334,878	\$555,000	\$836,043	\$1,391,043	1.68
1997	3,878,223	2,275,750	1,602,473	575,000	816,020	1,391,020	1.15
1998	3,821,755	2,502,620	1,319,135	600,000	792,158	1,392,158	0.95
1999	3,844,349	2,370,428	1,473,921	625,000	766,658	1,391,658	1.06
2000	3,967,096	2,432,293	1,534,803	655,000	738,845	1,393,845	1.10
2001	4,019,211	2,511,184	1,508,027	685,000	708,715	1,393,715	1.08
2002	4,261,581	2,580,987	1,680,594	715,000	676,520	1,391,520	1.21
2003	4,237,212	3,003,396	1,233,816	750,000	642,200	1,392,200	0.89
2004	4,681,173	2,395,727	2,285,446	850,000	426,668	1,276,668	1.79
2005	4,569,734	2,806,797	1,762,937	930,000	348,715	1,278,715	1.38
<u>Sewer Fund Bond Coverage:</u>							
1996	\$2,343,746	\$1,315,080	\$1,028,666	\$165,000	\$117,406	\$282,406	3.64
1997	2,389,270	1,972,097	417,173	170,000	112,348	282,348	1.48
1998	2,453,774	2,032,993	420,781	175,000	106,398	281,398	1.50
1999	2,494,278	1,704,291	789,987	180,000	99,835	279,835	2.82
2000	2,526,320	1,749,893	776,427	185,000	92,815	277,815	2.79
2001	2,678,013	1,992,229	685,784	195,000	85,415	280,415	2.45
2002	2,906,583	2,039,687	866,896	205,000	77,323	282,323	3.07
2003	2,875,559	2,406,215	469,344	210,000	68,405	278,405	1.69
2004	3,049,095	2,444,535	604,560	220,000	58,955	278,955	2.17
2005	3,092,130	2,551,986	540,144	230,000	48,835	278,835	1.94

Source: Chillicothe City Auditor

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

TABLE 15

FUND CASH SUMMARY REPORT LAST TEN FISCAL YEARS

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

Source: Chillicothe City Auditor

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1996	1997	1998	1999	2000
BROUGHT FORWARD BAL-GENERAL FUND	\$2,122,965	\$1,345,229	\$1,601,735	\$2,719,324	\$3,180,954
TOTAL REVENUE EXPENSES	13,430,671	13,443,456	14,628,482	14,937,975	15,536,481
POLICE	3,373,095	3,237,519	3,506,078	3,524,319	3,889,302
FIRE	2,763,312	2,641,944	2,787,036	3,142,210	3,669,934
CIVIL DEFENSE	6,350	6,350	6,350	6,350	6,350
HUMANE OFFICER	9,181	8,335	13,259	8,416	8,446
CROSSING GUARDS	106,825	107,192	97,802	66,752	67,665
SWIMMING POOL	102,807	112,847	102,633	106,366	112,096
PLANNING	137	142	129	47	233
DESIGN AND REVIEW	47	82	24	2	12
REFUSE COLLECTION	345,106	384,502	490,024	631,922	616,872
REFUSE DISPOSAL	400,258	361,947	340,137	327,805	360,412
STREETS & SIDEWALKS	344,118	185,915	187,793	187,070	192,383
MAYOR	434,382	419,747	444,907	447,564	439,743
MAYOR SPECIAL PROGRAMS	10,749	8,530	25,060	23,663	26,750
ECONOMIC DEVELOPMENT	29,331	25,202	18,072	15,799	11,797
CITY COUNCIL	116,179	112,322	121,539	124,907	128,493
TREASURER	48,356	52,766	51,074	53,990	55,879
INCOME TAX	133,058	190,200	141,746	148,143	142,355
PUBLIC LANDS & BLDGS	151,956	171,457	233,544	207,425	157,898
LAW DIRECTOR	294,177	320,673	338,826	360,300	366,592
AUDITOR	344,110	389,689	352,391	368,883	386,202
MUNICIPAL COURT	988,252	1,057,556	1,095,544	1,171,271	1,235,190
CIVIL SERVICE	57,011	61,047	57,241	63,349	69,266
SERVICE ADMINISTRATION	126,988	139,679	137,473	163,669	179,385
SERVICE MECHANIC	41,843	39,254	48,568	44,307	44,580
ENGINEERING	431,104	440,914	432,986	456,001	519,879
RCI	7,731	7,926	9,466	9,237	12,306
CODE ENFORCEMENT	9,449	10,425	17,815	18,430	12,329
GENERAL FUND TRANSFERS	2,032,255	2,129,945	1,693,637	1,915,000	2,020,000
MISCELLANEOUS	492,328	534,547	646,919	698,831	584,354
SAFETY LEVY OTHER	0	0	0	0	0
SAFETY LEVY CAPITAL	331,766	0	0	0	0
LANDFILL CLOSURE	24,115	0	0	0	0
POLICE-DARE PROGRAM	0	0	0	0	0
MUNICIPAL COURT-COMPUTER:	102,637	28,297	112,818	183,519	121,806
MUNICIPAL COURT-BLDG FUND	0	0	0	798	133,089
MUNI COURT-PROBATION SERV	0	0	0	0	0
TOTAL EXPENSES	13,659,014	13,186,951	13,510,893	14,476,344	15,571,596
GENERAL FUND BALANCE	\$1,894,622	\$1,601,735	\$2,719,324	\$3,180,954	\$3,145,839

CITY OF CHILLICOTHE
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TABLE 15

	2001	2002	2003	2004	2005
BROUGHT FORWARD BAL-GENERAL FUND	\$3,145,839	\$3,301,563	\$2,198,210	\$1,162,685	\$1,210,343
TOTAL REVENUE	15,652,519	15,078,599	15,953,400	16,213,953	16,738,848
EXPENSES					
POLICE	3,976,939	4,177,283	4,467,467	4,230,120	4,031,444
FIRE	3,750,956	3,916,318	4,149,315	4,048,210	3,956,832
CIVIL DEFENSE	6,350	6,350	6,350	6,350	6,350
HUMANE OFFICER	8,613	8,638	8,489	8,550	8,711
CROSSING GUARDS	62,335	62,624	60,293	52,037	52,493
SWIMMING POOL	98,344	108,882	127,696	94,027	84,397
PLANNING	239	387	28	122	46
DESIGN AND REVIEW	0	5	381	0	0
REFUSE COLLECTION	601,456	585,445	566,009	519,328	469,386
REFUSE DISPOSAL	355,426	342,514	345,540	387,376	342,401
STREETS & SIDEWALKS	184,293	168,919	195,993	203,464	206,724
MAYOR	475,671	495,021	499,822	495,815	496,444
MAYOR SPECIAL PROGRAMS	28,884	28,236	30,841	29,983	25,683
ECONOMIC DEVELOPMENT	11,021	16,402	14,962	20,936	17,874
CITY COUNCIL	143,771	172,061	186,200	230,883	207,082
TREASURER	62,358	66,039	71,108	80,583	97,205
INCOME TAX	154,141	164,447	245,151	257,186	211,706
PUBLIC LANDS & BLDGS	226,502	196,500	184,716	165,959	168,175
LAW DIRECTOR	420,162	465,827	570,853	493,227	540,677
AUDITOR	406,090	431,977	471,342	432,713	444,057
MUNICIPAL COURT	1,329,027	1,409,561	1,519,935	1,502,971	1,492,716
CIVIL SERVICE	72,337	70,065	80,272	81,026	83,643
SERVICE ADMINISTRATION	193,774	174,339	165,027	130,260	129,868
SERVICE MECHANIC	47,498	49,792	58,005	12,188	0
ENGINEERING	594,663	601,822	643,263	497,241	412,339
RCI	10,630	10,361	9,456	10,271	10,829
CODE ENFORCEMENT	11,491	16,474	24,271	19,734	23,779
GENERAL FUND TRANSFERS	1,499,581	1,636,875	1,360,136	1,399,553	1,209,421
MISCELLANEOUS	615,946	669,999	764,822	603,750	589,254
SAFETY LEVY OTHER	0	0	0	0	0
SAFETY LEVY CAPITAL	0	0	0	0	0
LANDFILL CLOSURE	0	0	0	0	0
POLICE-DARE PROGRAM	0	0	0	0	0
MUNICIPAL COURT-COMPUTER	139,797	128,787	148,302	143,203	221,476
MUNICIPAL COURT-BLDG FUND	8,500	0	12,877	7,230	84,180
MUNI COURT-PROBATION SERV	0	0	0	1,999	3,325
TOTAL EXPENSES	15,496,795	16,181,952	16,988,925	16,166,295	15,628,516
GENERAL FUND BALANCE	\$3,301,563	\$2,198,210	\$1,162,685	\$1,210,343	\$2,320,674

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BAL-POLICE DARE PROGRAM	\$0	\$14	\$14	\$14	\$14
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	14
POLICE-DARE BALANCE	\$0	\$14	\$14	\$14	\$0
BROUGHT FORWARD BAL-STREET CONSTRUCTION	\$123,380	\$215,860	\$272,237	\$190,050	\$727,949
TOTAL REVENUE	1,582,997	1,281,113	1,162,119	1,515,679	1,543,215
EXPENSES					
ST CONST-MAINTENANCE	1,386,402	1,181,994	1,144,838	922,820	1,824,178
ST CONST-RCJFS	0	0	0	0	0
ST CONST-SNOW REMOVAL	81,545	19,217	22,204	23,455	21,212
ST CONST-SIGNS & PAINT	22,569	23,524	77,264	31,506	39,228
ST CONST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	1,490,516	1,224,736	1,244,306	977,780	1,884,618
STREET CONST BALANCE	\$215,860	\$272,237	\$190,050	\$727,949	\$386,546
BROUGHT FORWARD BAL-STATE HIGHWAY	\$24,791	\$14,848	\$31,544	\$8,898	\$20,218
TOTAL REVENUE	162,529	140,984	106,826	153,465	143,531
EXPENSES					
ST HIGH-SNOW REMOVAL	0	0	0	0	0
ST HIGH-SIGNS & PAINT	123,472	124,287	129,472	142,145	141,779
ST HIGH-TRANSFERS	49,000	0	0	0	0
TOTAL EXPENSES	172,472	124,287	129,472	142,145	141,779
STATE HIGHWAY BALANCE	\$14,848	\$31,544	\$8,898	\$20,218	\$21,970
BROUGHT FORWARD BALANCE-PARKS	\$36,128	\$10,152	\$44,627	\$9,932	\$38,351
TOTAL REVENUE	211,141	263,970	216,411	289,971	281,378
TOTAL EXPENSES	237,117	229,495	251,106	261,552	266,128
PARKS BALANCE	\$10,152	\$44,627	\$9,932	\$38,351	\$53,600

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	2001	2002	2003	2004	2005
BROUGHT FORWARD					
BAL-POLICE DARE PROGRAM	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
POLICE-DARE BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD					
BAL-STREET CONSTRUCTION	\$386,546	\$250,543	\$168,294	\$150,279	\$1,114,951
TOTAL REVENUE	1,114,044	1,277,462	1,243,339	2,108,711	2,228,096
EXPENSES					
ST CONST-MAINTENANCE	1,186,534	1,298,764	1,182,115	1,071,687	2,860,273
ST CONST-RCJFS	0	0	0	13,193	42,282
ST CONST-SNOW REMOVAL	23,171	24,566	36,072	28,877	25,087
ST CONST-SIGNS & PAINT	40,342	36,381	43,168	30,283	26,135
ST CONST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	1,250,047	1,359,711	1,261,355	1,144,039	2,953,777
STREET CONST BALANCE	\$250,543	\$168,294	\$150,278	\$1,114,951	\$389,270
BROUGHT FORWARD					
BAL-STATE HIGHWAY	\$21,970	\$20,716	\$11,517	\$12,856	\$40,387
TOTAL REVENUE	144,086	153,173	165,813	155,333	129,710
EXPENSES					
ST HIGH-SNOW REMOVAL	0	0	0	0	0
ST HIGH-SIGNS & PAINT	145,339	162,373	164,473	127,803	149,141
ST HIGH-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	145,339	162,373	164,473	127,803	149,141
STATE HIGHWAY BALANCE	\$20,716	\$11,517	\$12,856	\$40,387	\$20,955
BROUGHT FORWARD					
BALANCE-PARKS	\$53,600	\$62,860	\$28,951	\$2,804	\$9,421
TOTAL REVENUE	267,998	255,300	296,434	326,142	369,154
TOTAL EXPENSES	258,739	289,209	322,582	319,524	336,201
PARKS BALANCE	\$62,860	\$28,951	\$2,804	\$9,421	\$42,374

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-RECREATION	\$142,804	\$41,357	\$99,602	\$9,956	\$50,519
TOTAL REVENUE	156,748	341,156	207,654	362,574	332,313
<u>TOTAL EXPENSES</u>	<u>258,195</u>	<u>282,911</u>	<u>297,299</u>	<u>322,011</u>	<u>342,930</u>
RECREATION BALANCE	\$41,357	\$99,602	\$9,956	\$50,519	\$39,903
BROUGHT FORWARD BALANCE-HUD	\$52,642	\$21,150	\$112,808	\$93,963	\$69,016
TOTAL REVENUE	690,147	609,436	313,809	202,385	519,704
<u>TOTAL EXPENSES</u>	<u>721,640</u>	<u>517,777</u>	<u>332,654</u>	<u>227,332</u>	<u>509,918</u>
HUD BALANCE	\$21,150	\$112,808	\$93,963	\$69,016	\$78,802
BROUGHT FORWARD BALANCE GRANTS	\$0	\$0	\$20,563	\$18,046	\$30,585
TOTAL REVENUE	0	50,563	48,046	92,079	75,527
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>30000</u>	<u>50,563</u>	<u>79,540</u>	<u>71,172</u>
GRANTS BALANCE	\$0	\$20,563	\$18,046	\$30,585	\$34,940
BROUGHT FORWARD BALANCE-FLOODWALL	\$118,027	\$95,851	\$98,764	\$98,320	\$102,891
TOTAL REVENUE	40,752	10,000	18,500	16,000	40,000
<u>TOTAL EXPENSES</u>	<u>62,928</u>	<u>7,086</u>	<u>18,945</u>	<u>11,429</u>	<u>15,813</u>
FLOODWALL BALANCE	\$95,851	\$98,764	\$98,320	\$102,891	\$127,078
BROUGHT FORWARD BALANCE-STREET RESTORATIOI	\$6,606	\$6,135	\$6,735	\$6,946	\$6,946
TOTAL REVENUE	2,175	940	1,373	0	250
<u>TOTAL EXPENSES</u>	<u>2,646</u>	<u>340</u>	<u>1,161</u>	<u>0</u>	<u>310</u>
STREET RESTOR BALANCE	\$6,135	\$6,735	\$6,946	\$6,946	\$6,886

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-RECREATION	\$39,903	\$43,293	\$65,359	\$30,691	\$9,996
TOTAL REVENUE	377,926	403,714	393,326	398,723	411,576
TOTAL EXPENSES	374,536	381,648	427,994	419,418	350,087
RECREATION BALANCE	\$43,293	\$65,359	\$30,691	\$9,996	\$71,484
BROUGHT FORWARD BALANCE-HUD	\$78,802	\$50,347	\$392,677	\$21,966	\$254,627
TOTAL REVENUE	373,052	833,621	306,734	532,435	736,237
TOTAL EXPENSES	401,507	491,291	677,445	299,774	756,813
HUD BALANCE	\$50,347	\$392,677	\$21,966	\$254,627	\$234,051
BROUGHT FORWARD BALANCE STATE GRANT	\$34,940	\$25,393	\$29,523	\$35,927	\$29,941
TOTAL REVENUE	46,767	46,345	176,480	83,786	96,469
TOTAL EXPENSES	56,313	42,215	170,077	89,772	97,514
STATE GRANT BALANCE	\$25,393	\$29,523	\$35,927	\$29,941	\$28,896
BROUGHT FORWARD BALANCE-FLOODWALL	\$127,078	\$109,371	\$114,898	\$104,589	\$67,957
TOTAL REVENUE	40,000	40,000	0	0	0
TOTAL EXPENSES	57,707	34,472	10,310	36,631	32,023
FLOODWALL BALANCE	\$109,371	\$114,898	\$104,589	\$67,957	\$35,934
BROUGHT FORWARD BALANCE-STREET RESTORATIOI	\$6,886	\$6,886	\$6,886	\$6,886	\$6,886
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
STREET RESTOR BALANCE	\$6,886	\$6,886	\$6,886	\$6,886	\$6,886

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-FEMA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	17,131	5,491	0	0
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>17,131</u>	<u>5,491</u>	<u>0</u>	<u>0</u>
FEMA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-CABLEVISION	\$1,203	\$873	\$543	\$1,863	\$5,765
TOTAL REVENUE	0	1,200	1,500	4,818	0
<u>TOTAL EXPENSES</u>	<u>330</u>	<u>1,530</u>	<u>180</u>	<u>916</u>	<u>0</u>
CABLEVISION BALANCE	\$873	\$543	\$1,863	\$5,765	\$5,765
BROUGHT FORWARD BALANCE-FIRE HAZARD	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
TOTAL REVENUE	0	0	0	0	0
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FIRE HAZARD BALANCE	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
BROUGHT FORWARD BAL-LITTER	\$27,627	\$42,498	\$34,123	\$0	\$0
TOTAL REVENUE	223,940	215,451	63,525	0	0
<u>EXPENSES</u>					
LITTER	46,323	45,436	10,255	0	0
LITTER T SHIRT	0	0	0	0	0
LITTER KAB	0	0	0	0	0
RECYCLES PROGRAM	162,747	178,389	87,393	0	0
<u>TOTAL EXPENSES</u>	<u>209,070</u>	<u>223,826</u>	<u>97,648</u>	<u>0</u>	<u>0</u>
LITTER BALANCE	\$42,498	\$34,123	\$0	\$0	\$0

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-FEMA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
FEMA BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-CABLEVISION	\$5,765	\$5,765	\$5,765	\$5,765	\$5,765
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
CABLEVISION BALANCE	\$5,765	\$5,765	\$5,765	\$5,765	\$5,765
BROUGHT FORWARD BALANCE-FIRE HAZARD	\$1,000	\$1,000	\$1,000	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	1,000	0	0
FIRE HAZARD BALANCE	\$1,000	\$1,000	\$0	\$0	\$0
BROUGHT FORWARD BAL-LITTER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
EXPENSES					
LITTER	0	0	0	0	0
LITTER T SHIRT	0	0	0	0	0
LITTER KAB	0	0	0	0	0
RECYCLES PROGRAM	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
LITTER BALANCE	\$0	\$0	\$0	\$0	\$0

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-UNALL INCOME TAX	\$332,285	\$522,706	\$412,727	\$965,521	\$608,212
TOTAL REVENUE	490,420	400,021	952,794	542,691	0
<u>TOTAL EXPENSES</u>	<u>300,000</u>	<u>510,000</u>	<u>400,000</u>	<u>900,000</u>	<u>450,000</u>
UNALL INCOME TAX BALANCE	\$522,706	\$412,727	\$965,521	\$608,212	\$158,212
BROUGHT FORWARD BALANCE-INCOME TAX REF	\$25,566	\$9,715	\$15,038	\$32,055	\$40,316
TOTAL REVENUE	160,000	255,000	250,000	250,000	250,000
<u>TOTAL EXPENSES</u>	<u>175,851</u>	<u>249,676</u>	<u>232,983</u>	<u>241,739</u>	<u>274,948</u>
INCOME TAX REF BALANCE	\$9,715	\$15,038	\$32,055	\$40,316	\$15,368
BROUGHT FORWARD BAL-LAW ENFORCE TRUST FUNI	\$9,668	\$1,647	\$0	\$2,082	\$5,945
TOTAL REVENUE	70	513	2,082	3,862	13,215
<u>TOTAL EXPENSES</u>	<u>8,091</u>	<u>2,160</u>	<u>0</u>	<u>0</u>	<u>10,684</u>
LAW ENFORCE TRUST FUND BALANCE	\$1,647	\$0	\$2,082	\$5,945	\$8,476
BROUGHT FORWARD BAL-INDIG DRIV ALCOHOL TREA	\$41,406	\$43,775	\$48,510	\$53,099	\$66,911
TOTAL REVENUE	20,369	17,236	16,589	18,313	19,708
<u>TOTAL EXPENSES</u>	<u>18,000</u>	<u>12,500</u>	<u>12,000</u>	<u>4,500</u>	<u>3,000</u>
INDIG DRIV ALCOHOL TREAT BALANCE	\$43,775	\$48,510	\$53,099	\$66,911	\$83,619
BROUGHT FORWARD BAL-OMVI EDUCA/ENFORCE	\$13,702	\$10,158	\$11,625	\$11,989	\$17,468
TOTAL REVENUE	2,220	4,382	3,677	5,479	3,572
<u>TOTAL EXPENSES</u>	<u>5,764</u>	<u>2,915</u>	<u>3,314</u>	<u>0</u>	<u>0</u>
OMVI EDUCA/ENFORCE BALANCE	\$10,158	\$11,625	\$11,989	\$17,468	\$21,040

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-UNALL INCOME TAX	\$158,212	\$158,212	\$385,856	\$200,856	\$200,856
TOTAL REVENUE	0	227,644	0	0	244,988
TOTAL EXPENSES	0	0	185,000	0	100,000
UNALL INCOME TAX BALANCE	\$158,212	\$385,856	\$200,856	\$200,856	\$345,844
BROUGHT FORWARD BALANCE-INCOME TAX REF	\$15,368	\$20,865	\$3,830	\$11,173	\$63,282
TOTAL REVENUE	300,000	345,000	350,000	375,000	375,000
TOTAL EXPENSES	294,503	362,035	342,658	322,890	333,954
INCOME TAX REF BALANCE	\$20,865	\$3,830	\$11,173	\$63,282	\$104,328
BROUGHT FORWARD BAL-LAW ENFORCE TRUST FUNI	\$8,476	\$42,597	\$41,660	\$49,706	\$89,361
TOTAL REVENUE	39,456	74	14,915	39,655	4,096
TOTAL EXPENSES	5,335	1,011	6,869	0	23,119
LAW ENFORCE TRUST FUND BALANCE	\$42,597	\$41,660	\$49,706	\$89,361	\$70,339
BROUGHT FORWARD BAL-INDIG DRIV ALCOHOL TREA	\$83,619	\$95,794	\$113,410	\$129,782	\$144,884
TOTAL REVENUE	19,795	19,116	16,371	15,103	14,482
TOTAL EXPENSES	7,620	1,500	0	0	0
INDIG DRIV ALCOHOL TREAT BALANCE	\$95,794	\$113,410	\$129,782	\$144,884	\$159,366
BROUGHT FORWARD BAL-OMVI EDUCA/ENFORCE	\$21,040	\$20,184	\$21,674	\$22,538	\$20,719
TOTAL REVENUE	4,144	3,990	3,364	3,181	2,875
TOTAL EXPENSES	5,000	2,500	2,500	5,000	11,017
OMVI EDUCA/ENFORCE BALANCE	\$20,184	\$21,674	\$22,538	\$20,719	\$12,576

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BAL-MANDATORY DRUG FINES	\$7,167	\$9,047	\$12,197	\$14,733	\$19,862
TOTAL REVENUE	1,880	3,151	2,965	5,129	3,833
TOTAL EXPENSES	0	0	429	0	694
MANDATORY DRUG FINES BALANCE	\$9,047	\$12,197	\$14,733	\$19,862	\$23,001
BROUGHT FORWARD BAL-TRAFFIC CONT-ON STREET	\$11,607	\$22,316	\$15,969	\$14,635	\$30,265
TOTAL REVENUE EXPENSES	147,470	134,041	142,412	176,076	225,675
TR CONT-ON ST-SIGNALS	103,217	105,785	107,531	122,763	122,811
TR CONT-ON ST-METERS	33,543	34,604	36,216	37,681	42,755
TR CONT-ON ST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	136,761	140,389	143,746	160,445	165,566
TRAFFIC CONT-ON ST-BALANC	\$22,316	\$15,969	\$14,635	\$30,265	\$90,374
BROUGHT FORWARD BAL-TRAFFIC CONT-OFF STREET	\$11,337	\$3	\$3,156	\$5,297	\$8,248
TOTAL REVENUE	3,666	3,153	2,140	2,951	2,015
TOTAL EXPENSES	15,000	0	0	0	0
TRAFFIC CONT-OFF-BALANCE	\$3	\$3,156	\$5,297	\$8,248	\$10,263
BROUGHT FORWARD BALANCE-PARKING FACILITY	\$18,361	\$3,619	\$6,118	\$7,698	\$9,470
TOTAL REVENUE	2,258	2,499	1,580	1,772	1,160
TOTAL EXPENSES	17,000	0	0	0	0
PARKING FACILITY BALANCE	\$3,619	\$6,118	\$7,698	\$9,470	\$10,631

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BAL-MANDATORY DRUG FINES	\$23,001	\$26,986	\$31,363	\$34,128	\$38,965
TOTAL REVENUE	3,985	4,687	2,765	4,880	3,509
TOTAL EXPENSES	0	310	0	43	0
MANDATORY DRUG FINES BALANCE	\$26,986	\$31,363	\$34,128	\$38,965	\$42,474
BROUGHT FORWARD BAL-TRAFFIC CONT-ON STREET	\$90,374	\$81,425	\$67,633	\$46,767	\$73,653
TOTAL REVENUE EXPENSES	207,354	185,196	200,939	159,283	157,967
TR CONT-ON ST-SIGNALS	154,199	153,650	143,489	78,779	105,715
TR CONT-ON ST-METERS	62,104	45,339	78,316	53,619	52,640
TR CONT-ON ST-TRANSFERS	0	0	0	0	0
TOTAL EXPENSES	216,302	198,988	221,805	132,398	158,355
TRAFFIC CONT-ON ST-BALANC	\$81,425	\$67,633	\$46,767	\$73,653	\$73,264
BROUGHT FORWARD BAL-TRAFFIC CONT-OFF STREET	\$10,263	\$5,386	\$8,623	\$9,413	\$16,472
TOTAL REVENUE	5,123	8,237	10,790	15,059	15,467
TOTAL EXPENSES	10,000	5,000	10,000	8,000	8,000
TRAFFIC CONT-OFF-BALANCE	\$5,386	\$8,623	\$9,413	\$16,472	\$23,939
BROUGHT FORWARD BALANCE-PARKING FACILITY	\$10,631	\$4,448	\$6,485	\$2,815	\$7,068
TOTAL REVENUE	3,817	6,038	6,330	8,252	8,294
TOTAL EXPENSES	10,000	4,000	10,000	4,000	4,000
PARKING FACILITY BALANCE	\$4,448	\$6,485	\$2,815	\$7,068	\$11,361

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-BUS	\$468,915	\$410,314	\$143,234	\$208,416	\$386,713
TOTAL REVENUE	1,140,041	1,119,488	1,347,341	1,308,639	1,411,508
<u>TOTAL EXPENSES</u>	<u>1,198,642</u>	<u>1,386,568</u>	<u>1,282,159</u>	<u>1,130,343</u>	<u>1,168,817</u>
BUS BALANCE	\$410,314	\$143,234	\$208,416	\$386,713	\$629,404
BROUGHT FORWARD BAL-POLICE PENSION FUND	\$3,048	\$28,023	\$1,248	\$1,073	\$637
TOTAL REVENUE	412,309	367,179	421,585	562,571	452,399
<u>TOTAL EXPENSES</u>	<u>387,334</u>	<u>393,953</u>	<u>421,760</u>	<u>563,007</u>	<u>451,330</u>
POLICE PENSION FUND BAL	\$28,023	\$1,248	\$1,073	\$637	\$1,706
BROUGHT FORWARD BALANCE-FIRE PENSION FUND	\$9,149	\$10,581	\$3,224	\$10,632	\$489
TOTAL REVENUE	458,865	437,565	483,716	926,976	582,399
<u>TOTAL EXPENSES</u>	<u>457,432</u>	<u>444,923</u>	<u>476,307</u>	<u>937,119</u>	<u>566,892</u>
FIRE PENSION FUND BALANCE	\$10,581	\$3,224	\$10,632	\$489	\$15,996
BROUGHT FORWARD BAL-DEBT SERVICE RESERVE	\$34,725	\$45,540	\$57,403	\$69,804	\$77,990
TOTAL REVENUE	464,183	582,890	575,581	582,216	620,876
<u>TOTAL EXPENSES</u>	<u>453,368</u>	<u>571,028</u>	<u>563,180</u>	<u>574,030</u>	<u>607,354</u>
DEBT SERVICE RESERVE BAL	\$45,540	\$57,403	\$69,804	\$77,990	\$91,512
BROUGHT FORWARD BAL-CAPITAL IMPROVEMENT	\$53,057	\$53,057	\$1	\$277,895	\$277,895
TOTAL REVENUE	0	1,944	277,894	0	0
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>55,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL IMPROVEMENT BAL	\$53,057	\$1	\$277,895	\$277,895	\$277,895

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-BUS	\$629,404	\$851,866	\$901,417	\$758,095	\$640,327
TOTAL REVENUE	1,481,456	1,478,736	1,563,913	1,758,137	2,034,464
<u>TOTAL EXPENSES</u>	<u>1,258,994</u>	<u>1,429,186</u>	<u>1,707,235</u>	<u>1,875,904</u>	<u>2,157,174</u>
BUS BALANCE	\$851,866	\$901,417	\$758,095	\$640,327	\$517,618
BROUGHT FORWARD BAL-POLICE PENSION FUND	\$1,706	\$27,741	\$10,754	\$10,809	\$2,529
TOTAL REVENUE	484,397	460,986	490,386	446,989	427,102
<u>TOTAL EXPENSES</u>	<u>458,362</u>	<u>477,973</u>	<u>490,331</u>	<u>455,269</u>	<u>428,815</u>
POLICE PENSION FUND BAL	\$27,741	\$10,754	\$10,809	\$2,529	\$817
BROUGHT FORWARD BALANCE-FIRE PENSION FUND	\$15,996	\$36,617	\$25,175	\$10,810	\$2,424
TOTAL REVENUE	584,397	610,986	613,625	587,989	578,102
<u>TOTAL EXPENSES</u>	<u>563,776</u>	<u>622,428</u>	<u>627,991</u>	<u>596,374</u>	<u>579,996</u>
FIRE PENSION FUND BALANCE	\$36,617	\$25,175	\$10,810	\$2,424	\$530
BROUGHT FORWARD BAL-DEBT SERVICE RESERVE	\$91,512	\$99,625	\$104,195	\$157,044	\$12,151
TOTAL REVENUE	507,307	496,948	2,601,572	266,520	324,286
<u>TOTAL EXPENSES</u>	<u>499,194</u>	<u>492,379</u>	<u>2,548,722</u>	<u>411,414</u>	<u>323,766</u>
DEBT SERVICE RESERVE BAL	\$99,625	\$104,195	\$157,044	\$12,151	\$12,670
BROUGHT FORWARD BAL-CAPITAL IMPROVEMENT	\$277,895	\$100,000	\$100,000	\$32,000	\$32,000
TOTAL REVENUE	0	0	0	0	100,000
<u>TOTAL EXPENSES</u>	<u>177,895</u>	<u>0</u>	<u>68,000</u>	<u>0</u>	<u>100,000</u>
CAPITAL IMPROVEMENT BAL	\$100,000	\$100,000	\$32,000	\$32,000	\$32,000

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BAL-ISSUE II	\$46,451	\$9,539	\$0	\$0	\$0
TOTAL REVENUE	198,140	0	0	127,227	0
<u>TOTAL EXPENSES</u>	<u>235,051</u>	<u>9,539</u>	<u>0</u>	<u>127,227</u>	<u>0</u>
ISSUE II BALANCE	\$9,539	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-CAP PROJECT-ST IMP	\$1,796,970	\$1	\$1	\$0	\$0
TOTAL REVENUE	283,607	0	0	0	0
<u>TOTAL EXPENSES</u>	<u>2,080,576</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
CAP PROJECT-ST IMP BALANC	\$1	\$1	\$0	\$0	\$0
BROUGHT FORWARD BAL-SAFETY LEVY CAPITAL	\$0	\$549,379	\$623,703	\$264,425	\$176,597
TOTAL REVENUE	0	518,114	541,952	578,109	576,471
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>443,790</u>	<u>901,230</u>	<u>665,937</u>	<u>455,993</u>
SAFETY LEVY CAPITAL BALANC	\$0	\$623,703	\$264,425	\$176,597	\$297,075
BROUGHT FORWARD BAL-LANDFILL CLOSURE	\$0	\$0	\$165,765	\$37,247	\$90,453
TOTAL REVENUE	0	405,001	0	125,000	125,000
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>239,236</u>	<u>128,518</u>	<u>71,794</u>	<u>63,694</u>
LANDFILL CLOSURE BALANCE	\$0	\$165,765	\$37,247	\$90,453	\$151,760
BROUGHT FORWARD BAL-PARKS/REC CAPITAL	\$14,769	\$28,958	\$8,116	\$187,476	\$132,240
TOTAL REVENUE	431,499	184,886	454,904	128,388	314,284
<u>TOTAL EXPENSES</u>	<u>417,310</u>	<u>205,728</u>	<u>275,545</u>	<u>183,624</u>	<u>293,601</u>
PARKS/REC CAPITAL BALANCE	\$28,958	\$8,116	\$187,476	\$132,240	\$152,923

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BAL-ISSUE II	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	203,095	126,126
TOTAL EXPENSES	0	0	0	203,095	126,126
ISSUE II BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-CAP PROJECT-ST IMP	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
CAP PROJECT-ST IMP BALANC	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-SAFETY LEVY CAPITAL	\$297,075	\$392,914	\$395,792	\$445,615	\$656,328
TOTAL REVENUE	598,357	601,196	586,771	621,724	659,252
TOTAL EXPENSES	502,518	598,317	536,948	411,010	538,743
SAFETY LEVY CAPITAL BALANC	\$392,914	\$395,792	\$445,615	\$656,328	\$776,838
BROUGHT FORWARD BAL-LANDFILL CLOSURE	\$151,760	\$176,696	\$125,832	\$84,089	\$47,670
TOTAL REVENUE	75,000	0	0	0	5,000
TOTAL EXPENSES	50,064	50,864	41,743	36,419	47,637
LANDFILL CLOSURE BALANCE	\$176,696	\$125,832	\$84,089	\$47,670	\$5,034
BROUGHT FORWARD BAL-PARKS/REC CAPITAL	\$152,923	\$81,642	\$49,216	\$34,438	\$47,514
TOTAL REVENUE	164,389	161,029	107,481	548,536	406,397
TOTAL EXPENSES	235,670	193,455	122,259	535,461	404,084
PARKS/REC CAPITAL BALANCE	\$81,642	\$49,216	\$34,438	\$47,514	\$49,827

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-STREETSCAPE	\$10,108	\$12,364	\$12,521	\$7,760	\$5,780
TOTAL REVENUE	122,440	120,579	113,721	119,496	145,456
<u>TOTAL EXPENSES</u>	<u>120,184</u>	<u>120,422</u>	<u>118,482</u>	<u>121,476</u>	<u>128,844</u>
STREETSCAPE BALANCE	\$12,364	\$12,521	\$7,760	\$5,780	\$22,392
BROUGHT FORWARD BALANCE-WATER FUND	\$1,734,338	\$2,290,443	\$2,678,610	\$2,557,882	\$2,478,855
TOTAL REVENUE	3,806,032	3,873,211	3,761,458	3,727,124	3,765,426
<u>EXPENSES</u>					
WATER ADMINISTRATION	658,567	940,095	1,005,161	805,455	745,428
WATER SUPPLY & TREATMENT	862,735	938,238	962,188	1,088,831	947,142
WATER DISTRIBUTION	420,203	453,557	570,863	601,806	558,837
WATER TRANSFERS	1,308,421	1,153,155	1,343,974	1,310,059	1,320,986
<u>TOTAL EXPENSES</u>	<u>3,249,926</u>	<u>3,485,045</u>	<u>3,882,186</u>	<u>3,806,151</u>	<u>3,572,393</u>
WATER BALANCE	\$2,290,443	\$2,678,610	\$2,557,882	\$2,478,855	\$2,671,889
BROUGHT FORWARD BAL-WATER CONST PROJECT #1	\$78,370	\$78,370	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>78,370</u>	<u>0</u>	<u>0</u>	<u>0</u>
WATER CONST PROJ #1 BAL	\$78,370	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER CONST PROJECT #2	\$199,584	\$0	\$0	\$0	\$0
TOTAL REVENUE	7,575	0	0	0	0
<u>TOTAL EXPENSES</u>	<u>207,158</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
WATER CONST PROJ #2 BAL	\$0	\$0	\$0	\$0	\$0

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-STREETScape	\$22,392	\$40,427	\$50,053	\$50,194	\$46,571
TOTAL REVENUE	25,106	16,128	7,500	0	0
TOTAL EXPENSES	7,071	6,502	7,358	3,624	5,267
STREETScape BALANCE	\$40,427	\$50,053	\$50,194	\$46,571	\$41,304
BROUGHT FORWARD BALANCE-WATER FUND	\$2,671,889	\$2,041,848	\$2,237,161	\$2,108,680	\$2,136,825
TOTAL REVENUE	3,944,083	4,289,829	4,168,751	4,383,091	4,499,961
EXPENSES					
WATER ADMINISTRATION	702,196	735,950	726,651	784,366	814,696
WATER SUPPLY & TREATMENT	1,201,064	1,137,498	1,117,821	1,084,669	1,260,998
WATER DISTRIBUTION	1,012,091	713,481	852,760	848,291	846,627
WATER TRANSFERS	1,658,772	1,507,587	1,600,000	1,637,620	1,097,847
TOTAL EXPENSES	4,574,123	4,094,516	4,297,232	4,354,946	4,020,169
WATER BALANCE	\$2,041,848	\$2,237,161	\$2,108,680	\$2,136,825	\$2,616,617
BROUGHT FORWARD BAL-WATER CONST PROJECT #1	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER CONST PROJ #1 BAL	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BAL-WATER CONST PROJECT #2	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER CONST PROJ #2 BAL	\$0	\$0	\$0	\$0	\$0

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	1996	1997	1998	1999	2000
BROUGHT FORWARD BAL-WATER TOWER	0	0	0	0	0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER TOWER BALANCE	0	0	0	0	0
BROUGHT FORWARD - BAL-WATER DEBT SERVICE #4	1,404,925	1,532,952	1,394,125	1,391,029	1,394,125
TOTAL REVENUE	186,458	-104,454	52,610	49,195	61,065
TOTAL EXPENSES	58,432	34,373	55,706	46,099	28,122
WATER DEBT SERVICE #4 BAL	1,532,952	1,394,125	1,391,029	1,394,125	1,427,068
BROUGHT FORWARD BAL-WATER BOND FUND #4	159,929	154,372	138,389	167,669	146,925
TOTAL REVENUE	1,386,831	1,375,037	1,421,437	1,374,010	1,373,983
TOTAL EXPENSES	1,392,388	1,391,020	1,392,158	1,394,754	1,393,845
WATER BOND FUND #4 BAL	154,372	138,389	167,669	146,925	127,063
BROUGHT FORWARD BAL-WATER R&I FUND	1,317,060	1,317,060	1,317,060	1,317,060	1,317,060
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER R&I FUND BALANCE	1,317,060	1,317,060	1,317,060	1,317,060	1,317,060
BROUGHT FORWARD BAL-WATER SYSTEM RESERVE	500,000	500,000	500,000	500,000	500,000
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER SYSTEM RESERVE BAL	500,000	500,000	500,000	500,000	500,000

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	2001	2002	2003	2004	2005
BROUGHT FORWARD BAL-WATER TOWER	0	102,310	38,866	1,198,444	435,737
TOTAL REVENUE	130,300	0	1,501,140	1,503,528	900,000
TOTAL EXPENSES	27,990	63,444	341,562	2,266,235	1,304,780
WATER TOWER BALANCE	102,310	38,866	1,198,444	435,737	30,958
BROUGHT FORWARD BAL-WATER DEBT SERVICE #4	1,427,068	1,401,005	1,396,038	1,269,418	1,278,659
TOTAL REVENUE	40,345	5,301	(94,797)	11,397	33,480
TOTAL EXPENSES	66,408	10,267	31,824	2,156	0
WATER DEBT SERVICE #4 BAL	1,401,005	1,396,038	1,269,418	1,278,659	1,312,139
BROUGHT FORWARD BAL-WATER BOND FUND #4	127,063	164,353	115,789	79,311	364,396
TOTAL REVENUE	1,431,005	1,342,956	12,697,722	1,569,003	1,116,831
TOTAL EXPENSES	1,393,715	1,391,520	12,734,200	1,283,918	1,278,715
WATER BOND FUND #4 BAL	164,353	115,789	79,311	364,396	202,512
BROUGHT FORWARD BAL-WATER R&I FUND	1,317,060	1,493,862	1,670,664	1,200,000	1,200,000
TOTAL REVENUE	176,802	176,802	(470,664)	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER R&I FUND BALANCE	1,493,862	1,670,664	1,200,000	1,200,000	1,200,000
BROUGHT FORWARD BAL-WATER SYSTEM RESERVE	500,000	500,000	500,000	1,103,000	1,103,000
TOTAL REVENUE	0	0	603,000	0	0
TOTAL EXPENSES	0	0	0	0	0
WATER SYSTEM RESERVE BAL	500,000	500,000	1,103,000	1,103,000	1,103,000

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	1996	1997	1998	1999	2000
TOTAL REVENUE WATER FUNDS	5,386,896	5,143,795	5,235,506	5,150,329	5,200,474
TOTAL EXPENSES WATER FUND	4,907,904	4,988,808	5,330,050	5,247,004	4,994,360
BALANCE ALL WATER FUNDS	\$5,873,197	\$6,028,184	\$5,933,640	\$5,836,965	\$6,043,079
BROUGHT FORWARD					
BAL-RT 104 WATER/SEWER	\$0	\$0	\$0	\$498,798	\$474,043
TOTAL REVENUE	0	0	500,005	500,020	500,030
TOTAL EXPENSES	0	0	1,207	524,775	608,894
RT 104 WATER/SEWER BALANC	\$0	\$0	\$498,798	\$474,043	\$365,179
BROUGHT FORWARD					
BALANCE-SEWER FUND	\$1,033,758	\$1,212,000	\$1,232,626	\$1,242,623	\$1,390,531
TOTAL REVENUE	2,345,831	2,416,143	2,475,459	3,168,076	2,955,959
EXPENSES					
SEWER ADMINISTRATION	636,527	756,705	770,607	1,521,103	1,219,626
SEWER SUPPLY & TREATMENT	884,895	1,032,762	990,543	931,682	946,320
SEWER COLLECTION	275,286	246,429	344,964	279,341	335,009
SEWER TRANSFERS	370,882	359,620	359,348	288,043	354,429
TOTAL EXPENSES	2,167,590	2,395,516	2,465,462	3,020,169	2,855,384
SEWER BALANCE	\$1,212,000	\$1,232,626	\$1,242,623	\$1,390,531	\$1,491,106
BROUGHT FORWARD					
BALANCE-SEWER DEBT SERVICE	\$283,947	\$284,841	\$290,627	\$311,596	\$282,915
TOTAL REVENUE	11,552	11,624	32,272	9,355	12,392
TOTAL EXPENSES	10,658	5,838	11,303	38,036	5,707
SEWER DEBT SERVICE BALANC	\$284,841	\$290,627	\$311,596	\$282,915	\$289,600
BROUGHT FORWARD					
BALANCE-SEWER PROJECT #1	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	3,004,125
TOTAL EXPENSES	0	0	0	0	16,918
SEWER PROJECT #1 BALANCE	\$0	\$0	\$0	\$0	\$2,987,207

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TOTAL REVENUE WATER FUNDS	5,722,534	5,814,887	18,405,152	7,467,019	6,550,272
TOTAL EXPENSES WATER FUND	6,062,236	5,559,747	17,404,818	7,907,254	6,603,663
BALANCE ALL WATER FUNDS	\$5,703,377	\$5,958,518	\$6,958,853	\$6,518,618	\$6,465,226
BROUGHT FORWARD					
BAL-RT 104 WATER/SEWER	\$365,179	\$338,893	\$321,518	\$268,497	\$0
TOTAL REVENUE	500,040	500,055	626,173	241,708	0
TOTAL EXPENSES	526,326	517,431	679,194	510,205	0
RT 104 WATER/SEWER BALANC	\$338,893	\$321,518	\$268,497	\$0	\$0
BROUGHT FORWARD					
BALANCE-SEWER FUND	\$1,491,106	\$1,583,190	\$1,738,109	\$1,086,058	\$642,577
TOTAL REVENUE	2,921,903	2,928,667	2,891,407	3,039,417	3,522,821
EXPENSES					
SEWER ADMINISTRATION	984,751	792,755	553,541	617,182	669,530
SEWER SUPPLY & TREATMENT	1,131,344	1,163,682	1,166,677	1,235,601	1,197,988
SEWER COLLECTION	355,462	449,738	497,887	1,353,077	1,029,328
SEWER TRANSFERS	358,262	367,573	1,325,353	277,039	277,785
TOTAL EXPENSES	2,829,819	2,773,748	3,543,458	3,482,899	3,174,631
SEWER BALANCE	\$1,583,190	\$1,738,109	\$1,086,058	\$642,577	\$990,766
BROUGHT FORWARD					
BALANCE-SEWER DEBT SERVICE	\$289,600	\$281,311	\$282,963	\$283,080	\$281,469
TOTAL REVENUE	8,187	1,076	282	887	157,946
TOTAL EXPENSES	13,476	2,423	165	2,498	5,100
SEWER DEBT SERVICE BALANC	\$284,311	\$279,963	\$283,080	\$281,469	\$434,315
BROUGHT FORWARD					
BALANCE-SEWER PROJECT #1	\$2,987,207	\$1,788,511	\$1,314,759	\$1,320,422	\$1,271,569
TOTAL REVENUE	3,000,000	4,145,561	3,156,059	95,000	0
TOTAL EXPENSES	4,198,696	4,619,312	3,150,396	143,853	1,271,569
SEWER PROJECT #1 BALANCE	\$1,788,511	\$1,314,759	\$1,320,422	\$1,271,569	\$0

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-SEWER BOND FUND	\$24,336	\$31,304	\$23,231	\$4,573	\$30,045
TOTAL REVENUE	289,843	274,275	262,740	305,307	273,626
<u>TOTAL EXPENSES</u>	<u>282,875</u>	<u>282,348</u>	<u>281,398</u>	<u>279,835</u>	<u>277,815</u>
SEWER BOND FUND BALANCE	\$31,304	\$23,231	\$4,573	\$30,045	\$25,856
BROUGHT FORWARD BALANCE-SEWER R&I FUND	\$431,271	\$491,271	\$551,271	\$618,466	\$618,466
TOTAL REVENUE	60,000	60,000	67,195	0	0
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SEWER R&I FUND BALANCE	\$491,271	\$551,271	\$618,466	\$618,466	\$618,466
BROUGHT FORWARD BAL-SEWER SYSTEM RESERVE	\$463,897	\$408,036	\$352,174	\$284,980	\$217,785
TOTAL REVENUE	36,160	36,160	24,827	24,827	92,022
<u>TOTAL EXPENSES</u>	<u>92,021</u>	<u>92,021</u>	<u>92,021</u>	<u>92,021</u>	<u>92,021</u>
SEWER SYSTEM RESERVE BAL	\$408,036	\$352,174	\$284,980	\$217,785	\$217,786
TOTAL REVENUE SEWER FUNDS	2,743,386	2,798,201	2,862,492	3,507,565	6,338,124
<u>TOTAL EXPENSES SEWER FUND</u>	<u>2,553,144</u>	<u>2,775,724</u>	<u>2,850,184</u>	<u>3,430,061</u>	<u>3,247,845</u>
BALANCE ALL SEWER FUNDS	\$2,427,451	\$2,449,929	\$2,462,237	\$2,539,741	\$5,630,021
BROUGHT FORWARD BALANCE-OWDA	\$341	\$341	\$341	\$341	\$341
TOTAL REVENUE	0	0	0	0	0
<u>TOTAL EXPENSES</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>341</u>
OWDA BALANCE	\$341	\$341	\$341	\$341	\$0

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-SEWER BOND FUND	\$25,856	\$27,916	\$23,985	\$23,224	\$24,377
TOTAL REVENUE	282,475	278,392	277,644	280,108	465,381
TOTAL EXPENSES	280,415	282,323	278,405	278,955	431,188
SEWER BOND FUND BALANCE	\$27,916	\$23,985	\$23,224	\$24,377	\$58,570
BROUGHT FORWARD BALANCE-SEWER R&I FUND	\$618,466	\$618,466	\$618,466	\$618,466	\$618,466
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
SEWER R&I FUND BALANCE	\$618,466	\$618,466	\$618,466	\$618,466	\$618,466
BROUGHT FORWARD BAL-SEWER SYSTEM RESERVE	\$217,786	\$217,786	\$217,787	\$219,776	\$219,776
TOTAL REVENUE	92,022	92,022	48,000	0	939,745
TOTAL EXPENSES	92,021	92,021	46,011	0	420,000
SEWER SYSTEM RESERVE BAL	\$217,786	\$217,787	\$219,776	\$219,776	\$739,521
TOTAL REVENUE SEWER FUNDS	6,304,587	7,445,717	6,373,392	3,415,412	5,085,892
TOTAL EXPENSES SEWER FUND	7,414,428	7,769,827	7,018,435	3,908,204	5,302,487
BALANCE ALL SEWER FUNDS	\$4,520,179	\$4,193,069	\$3,551,026	\$3,058,234	\$2,841,638
BROUGHT FORWARD BALANCE-OWDA	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
OWDA BALANCE	\$0	\$0	\$0	\$0	\$0

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-PATTON PARK	\$973	\$973	\$973	\$973	\$973
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
PATTON PARK BALANCE	\$973	\$973	\$973	\$973	\$973
BROUGHT FORWARD BALANCE-UNCLAIMED MONIES	\$54,049	\$41,798	\$41,208	\$49,897	\$51,710
TOTAL REVENUE	7,548	13,669	18,106	14,424	15,017
TOTAL EXPENSES	19,799	14,259	9,417	12,612	8,419
UNCLAIMED MONIES BALANCE	\$41,798	\$41,208	\$49,897	\$51,710	\$58,308
BROUGHT FORWARD BALANCE-CARLISLE HILL TRUST	\$2,537	\$2,597	\$2,657	\$2,717	\$2,777
TOTAL REVENUE	60	60	60	60	60
TOTAL EXPENSES	0	0	0	0	0
CARLISLE HILL TRUST BALANCE	\$2,597	\$2,657	\$2,717	\$2,777	\$2,837
BROUGHT FORWARD BALANCE-SUB DIVISION INSP	\$2,750	\$7,026	\$13,976	\$24,551	\$24,551
TOTAL REVENUE	4,276	6,950	10,575	0	10,289
TOTAL EXPENSES	0	0	0	0	0
SUB DIV INSPECTION BALANCE	\$7,026	\$13,976	\$24,551	\$24,551	\$34,840
BROUGHT FORWARD BALANCE-BARRICADE DEPOSIT	\$480	\$480	\$480	\$480	\$480
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
BARRICADE DEPOSIT BALANCE	\$480	\$480	\$480	\$480	\$480

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-PATTON PARK	\$973	\$0	\$0	\$0	\$0
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	973	0	0	0	0
PATTON PARK BALANCE	\$0	\$0	\$0	\$0	\$0
BROUGHT FORWARD BALANCE-UNCLAIMED MONIES	\$58,308	\$54,266	\$56,917	\$61,394	\$64,235
TOTAL REVENUE	9,061	20,407	18,456	17,267	9,896
TOTAL EXPENSES	13,103	17,756	13,979	14,426	9,046
UNCLAIMED MONIES BALANCE	\$54,266	\$56,917	\$61,394	\$64,235	\$65,084
BROUGHT FORWARD BALANCE-CARLISLE HILL TRUST	\$2,837	\$2,887	\$2,927	\$2,967	\$2,987
TOTAL REVENUE	50	40	40	20	40
TOTAL EXPENSES	0	0	0	0	0
CARLISLE HILL TRUST BALANCE	\$2,887	\$2,927	\$2,967	\$2,987	\$3,027
BROUGHT FORWARD BALANCE-SUB DIVISION INSP	\$34,840	\$1,371	\$8,360	\$9,205	\$9,955
TOTAL REVENUE	1,531	6,989	845	750	0
TOTAL EXPENSES	35,000	0	0	0	0
SUB DIV INSPECTION BALANCE	\$1,371	\$8,360	\$9,205	\$9,955	\$9,955
BROUGHT FORWARD BALANCE-BARRICADE DEPOSIT	\$480	\$480	\$480	\$480	\$480
TOTAL REVENUE	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0
BARRICADE DEPOSIT BALANCE	\$480	\$480	\$480	\$480	\$480

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	1996	1997	1998	1999	2000
BROUGHT FORWARD BALANCE-SECURITY DEPOSIT	\$2,080	\$1,980	\$2,580	\$3,480	\$4,080
TOTAL REVENUE	600	2,000	2,300	2,000	1,300
<u>TOTAL EXPENSES</u>	<u>700</u>	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>700</u>
SECURITY DEPOSIT BALANCE	\$1,980	\$2,580	\$3,480	\$4,080	\$4,680
BROUGHT FORWARD BALANCE-STATE BLDG PERMIT	\$139	\$156	\$279	\$607	\$254
TOTAL REVENUE	1,911	1,290	1,564	1,497	1,912
<u>TOTAL EXPENSES</u>	<u>1,894</u>	<u>1,167</u>	<u>1,236</u>	<u>1,851</u>	<u>1,848</u>
STATE BLDG PERMIT BALANCE	\$156	\$279	\$607	\$254	\$318
BROUGHT FORWARD BALANCE-POSTAGE ROTARY	\$3,754	\$5,652	\$3,934	\$3,840	\$4,373
TOTAL REVENUE	38,571	37,668	41,048	41,744	40,658
<u>TOTAL EXPENSES</u>	<u>36,673</u>	<u>39,387</u>	<u>41,141</u>	<u>41,210</u>	<u>42,306</u>
POSTAGE ROTARY BALANCE	\$5,652	\$3,934	\$3,840	\$4,373	\$2,726
TOTAL REVENUE COLLECTED	29,023,783	28,936,676	31,036,326	32,257,478	35,327,836
<u>TOTAL EXPENSES</u>	<u>30,360,406</u>	<u>28,454,641</u>	<u>29,134,009</u>	<u>31,439,201</u>	<u>32,350,408</u>
BALANCE FOR ALL FUNDS	\$11,927,359	\$12,409,394	\$14,311,712	\$15,129,989	\$18,107,417

CITY OF CHILLICOTHE
FUND CASH SUMMARY REPORT
LAST TEN FISCAL YEARS

TABLE 15

	2001	2002	2003	2004	2005
BROUGHT FORWARD BALANCE-SECURITY DEPOSIT	\$4,680	\$5,280	\$5,580	\$5,580	\$5,580
TOTAL REVENUE	2,000	1,000	0	0	0
TOTAL EXPENSES	1,400	700	0	0	0
SECURITY DEPOSIT BALANCE	\$5,280	\$5,580	\$5,580	\$5,580	\$5,580
BROUGHT FORWARD BALANCE-STATE BLDG PERMIT	\$318	\$197	\$552	\$567	\$955
TOTAL REVENUE	1,963	2,444	2,874	2,216	4,521
TOTAL EXPENSES	2,085	2,088	2,860	1,828	4,664
STATE BLDG PERMIT BALANCE	\$197	\$552	\$567	\$955	\$812
BROUGHT FORWARD BALANCE-POSTAGE ROTARY	\$2,726	\$3,292	\$2,733	\$8,157	\$9,806
TOTAL REVENUE	45,735	49,248	60,839	62,175	50,110
TOTAL EXPENSES	45,169	49,807	55,415	60,526	57,934
POSTAGE ROTARY BALANCE	\$3,292	\$2,733	\$8,157	\$9,806	\$1,981
TOTAL REVENUE COLLECTED	35,107,976	36,554,992	50,600,020	36,079,052	37,898,225
TOTAL EXPENSES	36,444,006	37,306,676	52,128,278	36,006,600	37,631,921
BALANCE FOR ALL FUNDS	\$16,771,386	\$16,016,702	\$14,491,445	\$14,563,897	\$14,830,202

**CITY OF CHILLICOTHE
MISCELLANEOUS STATISTICS
DECEMBER 31, 2005**

Table 16

DATE INCORPORATED	1796
FORM OF GOVERNMENT	Council/Mayor
AREA (SQUARE MILES)	10.95 square miles
MILES OF STREETS, ALLEYS	96.8 miles
NUMBER OF CITY EMPLOYEES	291

DEPARTMENT	FULL TIME	PART TIME	TOTAL
Auditor	7	0	7
Civil Service	1	0	1
City Council	10	1	11
Engineering	8	0	8
Fire	43	0	43
Humane Officer	0	1	1
Income Tax	3	0	3
Law Director	3	6	9
Mayor	6	0	6
Municipal Court	22	5	27
Parks	2	0	2
Police	49	0	49
Recreation	5	5	10
School Crossing	0	14	14
Service	26	5	31
Sewage	22	1	23
Traffic Control	1	0	1
Transit	20	4	24
Treasurer	1	1	2
Water	19	0	19
Total	248	43	291

CITY FLEET (Licensed On-Road):

Fire	21
Police	20
Refuse	9
Other	81

FIRE PROTECTION:

Number of Fire Stations	3
Number of Firefighters & Officers	42

POLICE PROTECTION:

Number of Police Stations	1
Number of Police Officers	44

MUNICIPAL WATER DIVISION:

Number of Customer Accounts	9,217 accounts
Average Daily Pumpage (Mil. Gals./Day)	3.03 mil (7.0 mil. gals./day capacity)
Miles of Water Mains	100 miles

MUNICIPAL SEWER DIVISION:

Number of Customer Accounts	8,708 accounts
Miles of Sanitary/Storm Sewer Lines	101 miles

continued

**CITY OF CHILLICOTHE
MISCELLANEOUS STATISTICS
DECEMBER 31, 2005**

Table 16

RECREATION & TRAVEL:

Municipal Parks	12
Playgrounds	5
Recreation/Fitness Centers	6
Golf Courses	1-Private 1-Public
Swimming Facilities	4
Tennis Courts	4
Motels	7
Bed & Breakfasts	6

CULTURAL:

Libraries	
Public Libraries	2
In Circulation Volumes	139,690
In Circulation Audio Visual	12,143
Ohio University Chillicothe Library	58,810 Volumes 378 Audio Visual
Museums	5
Theatre Groups	3

COMMUNICATIONS:

T.V. Station	1 - WWHO Channel 53
Cable T.V. Station	1
Radio Stations - F.M.	2 - WFCB, WKKJ
Radio Stations - A.M.	2 - WBEX, WCHI
Newspapers (Daily)	1 - Circulation Daily 14,100
Magazine	1 - Circulation - Quarterly 5,300

SCHOOL SYSTEM

CHILLICOTHE CITY SCHOOL SYSTEM

High Schools	1
Intermediate	2
Elementary	3
Student Population	3,033
Teacher Population	224
Student/Teacher Ratio	13.54:1
Southern Hills Academy	Grades 1-8 (student population 107, includes 52 preschoolers)

PAROCHIAL SCHOOLS

Bishop Flaget	Grades PK-8
Student Population	180 (includes 17 preschoolers)
Landmark Christian Academy	Grades 1-12 (student population 30)

HIGHER EDUCATION

Ohio University Chillicothe Regional Campus	1
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Source: Chillicothe City Auditor

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**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

CITY OF CHILLICOTHE

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 27, 2006**