



**CITY OF CHILlicoTHE  
ROSS COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2007**



**Mary Taylor, CPA**  
Auditor of State



**CITY OF CHILLICOTHE  
ROSS COUNTY**

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**CITY OF CHILLICOTHE  
ROSS COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant State's Program	A-H-03-104-1	14.228	\$ 38,000
Community Development Block Grant State's Program	A-C-04-104-1	14.228	100
Community Development Block Grant State's Program	A-F-05-104-2	14.228	3,884
Community Development Block Grant State's Program	A-F-06-104-2	14.228	92,500
Community Development Block Grant State's Program	A-C-06-104-1	14.228	<u>101,523</u>
Total Community Development Block Grant State's Program			<u>236,007</u>
HOME Investment Partnership Program	A-C-06-104-2	14.239	<u>191,479</u>
Total HOME Investment Partnership Program			<u>191,479</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<b><u>427,486</u></b>
 <b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct:</i>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	N/A	16.590	2,305
<i>Passed Through Ohio Office of the Attorney General</i>			
Crime Victim's Assistance	VAGENE539	16.575	<u>35,314</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b><u>37,619</u></b>
 <b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	RPT-0071-014-952	20.509	<u>708,746</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b><u>708,746</u></b>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 1,173,851</u></b>

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

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2007**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**NOTE D—CORRECTION TO FEDERAL AWARDS EXPENDITURES SCHEDULE**

The accompanying Federal Awards Expenditures Schedule has been reissued. The Schedule includes \$95,096 of HOME Investment Partnership Program Expenditures which were previously reported as Community Development Block Grant – State's Program expenditures. Also, this schedule was revised to reduce Community Development Block Grant – State's Program expenditures by \$62.



# Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated May 12, 2008.

### **Compliance and Other Matters**

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

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

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

**Mary Taylor, CPA**  
Auditor of State

May 12, 2008





# Mary Taylor, CPA

## Auditor of State

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

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

To the City Council:

#### Compliance

We have audited the compliance of the City of Chillicothe, Ross County, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2007. 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 of Chillicothe 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, 2007.

In a separate letter to the City's management dated May 12, 2008, we reported other matters related to federal noncompliance not requiring inclusion in this report.

#### Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Chillicothe, Ross County, Ohio as of and for the year ended December 31, 2007, and have issued our report thereon dated May 12, 2008. 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.

The accompanying federal awards expenditures schedule (the schedule) replaces the schedule for the City's fiscal year ended December 31, 2007, previously issued with our report dated May 12, 2008. The schedule was revised to include \$95,096 of HOME Investment Partnership Program Expenditures which were previously reported as Community Development Block Grant – State's Program expenditures. These expenditures resulted in the HOME Investment Partnership Program being designated as an additional major federal program. Also, this schedule was revised to reduce Community Development Block Grant – State's Program expenditures by \$62.

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



**Mary Taylor, CPA**  
Auditor of State

May 12, 2008, except for the second preceding paragraph which is dated November 5, 2008

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2007**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #14.228 Community Development Block Grant State's Program CFDA # 14.239 HOME Investment Partnership Program
<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 AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**CITY OF CHILLICOTHE  
ROSS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	In 2006, contrary to City Ordinances 46-03 and 142-06 the City posted \$122,001 of water and sewer charges for service receipts to the General Fund.	Yes	Fully Corrected
2006-002	Budgetary basis capital outlay expenditures exceeded appropriations at December 31, 2006, in the Bus Transit Fund by \$797,500.	Yes	Fully Corrected

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

**William D. Morrissey**

**Chillicothe City Auditor**



**For the Year Ended December 31, 2007**

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



CITY OF CHILLICOTHE, OHIO

Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2007

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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, 2008

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, 2007. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2007. It is intended to provide all pertinent and necessary information to the Citizens of Chillicothe.

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

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

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

### **State Audit**

The 2007 basic financial statements were audited by the State of Ohio Auditor's Office. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls and tests of transactions. The State Auditor's opinion letter is at the beginning of the financial section.

### **Reporting Entity**

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

## **History and City Organization**

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35 and 50 just 45 miles south of Columbus, Ohio, our City covers 11.07 square miles and has approximately 21,796 citizens according to the latest census. The City has 12 public parks consisting of 225 acres, six public schools, one parochial school, a branch of Ohio University and two public libraries.

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

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

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

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

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

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

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

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

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

The City employs 272 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 challenging for the most part, but our major employers have addressed their particular issues and moved forward in many areas.

In 2007, overall paper production at Glatfelter's Ohio Operation increased as compared to the previous year. Total paper production at the facility was 367,942 tons. The two primary paper products manufactured at the facility include carbonless paper, commonly used in business forms, and book publishing paper. In 2007, the operation produced 166,849 tons of carbonless paper and 151,695 tons of book publishing paper. The remaining tons are from other speciality and uncoated grades of paper. In addition, the pulp mill produced 340,691 tons of pulp in 2007.

Overall employment at the mill has dropped as compared to the prior year. The mill currently employs approximately 1,600 employees. The operation was faced with the tough decision to layoff approximately 26 union hourly employees in November 2007. This was a direct result of reductions in our paper converting capacity needs.

Total payroll for the operation in 2007 was approximately \$95 million, including all hourly and salaried employees.

Horizon Telcom had another good year in 2007. Their employment remained steady over the course of the year.

Horizon View (Horizon Telecom's video service) had a very successful year in 2007, experiencing approximately 12 to 15% subscriber growth during the course of the year. High Definition television continues to gain subscribers at a fast pace. Their bundled services (voice, video and data bundled together) have proven very successful and are a great value to the customers.

They successfully extended their fiber optic network into the surrounding communities of Jackson, Waverly and Greenfield. They received a federal grant to offer fiber-to-the-home services in the Village of Darbyville and will run fiber through Circleville on the way. The end of the year was spent finalizing an agreement to purchase the fiber assets of a company with a 110-mile fiber optic network in Pike and Scioto counties, extending fiber reach through Portsmouth to Wheelersburg.

Adena Regional Medical Center has become the county's largest employer and considering the current growth plans should continue to increase their workforce.

The Heart Center initiated in 2006 has grown dramatically with nearly 100 open heart operations in 2007.

Adena completed a number of construction projects in 2007 totaling over \$10 million including emergency power upgrades, infrastructure upgrades, MRI relocation, Smith and Fleischer Pediatrics expansion, and the south parking lot expansion.

They received along with O'Bleness Hospital in Athens a \$14 million grant to connect health providers in 15 counties.

Current plans are in place for \$45.5 million expansion which includes a new Women's and Children's Center. Ground was broken in 2007 for the Paccar Medical Education Center, a facility to provide education for nurses.

2007 was a challenging year for Kenworth, but one that also saw Kenworth achieve several major goals that position the plant well for the future. Early in the year the truck industry suffered a 42% reduction in orders due to the implementation of new engine emission laws, which took effect on January 1. In spite of reduced order intake, Kenworth was able to increase market share throughout the year. The result was a 35% reduction in build rate at the Chillicothe plant, compared with much heavier reductions by their competitors. Late in the year, the sluggish economy neutralized an expected recovery of orders which has continued into 2008.

In 2007, Kenworth swept all product awards for the prestigious J.D. Power customer satisfaction surveys for class 8 heavy duty trucks.

In spite of sluggish orders, Kenworth invested substantially in the Chillicothe plant to improve quality and throughput, in anticipation of an improved order intake. The growth of the plant in 2008 will be largely based on the overall economic recovery. The plant is well positioned for the future.

The unemployment rate in Ross County at the end of 2007 was 8.0% as compared with 6.3% for the State.

City income tax revenue for 2007 was \$10,473,453, which was an increase of \$398,058 or 3.95%. County sales taxes were \$11,221,083, an increase of \$1,269 or .01%. The residential housing market has slowed down as it reflects the national trend with prices being reduced in most sales. The population of Ross County is currently estimated at 75,398.

In 2007, \$197,624 was collected in hotel-motel taxes. This was an increase of \$8,515 or 4.5%.

### **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 \$437,964 were utilized in areas such as fair housing, rental and private rehabilitation, and emergency home repair.
- ▶ The City's capital improvements included:
  - \$55,577 spent on computer hardware and software in various departments; the Auditor's Office purchased a \$3,182 shredder and a \$3,367 coin sorter; Transit purchased \$4,727 in radios; two buses for \$132,439; a smaller bus for \$20,482; and a hot water pressure washer for \$2,164; \$5,280 (donated money) in workout equipment, \$36,000 for a direct exhaust system and a \$1,000,000 aerial tower truck for the Fire department; \$33,236 for a slope mower for Floodwall; Parks and Recreation had a new shelter donated by Kiwanis (value \$59,448), purchased O.S.H.A. required cabinets for \$3,319 and \$17,680 for two Polaris Rangers; the Police Department purchased 6 new cruisers for \$139,989; Service Department bought a new tailgate salt spreader for \$3,440; the Wastewater Department purchased a Hydro excavator for \$2,761, a dump bed for \$7,495, a polyblend unit for \$6,939, upgraded lift station telemetry for \$30,706 and purchased a new Aquatech B-10 Flusher truck for \$193,000; Water Department installed a closed circuit security system on Park Street for \$6,045 and purchased a Hydroverter for \$2,284; a phase meter for \$2,146, and installed handicap railings for \$10,667.
- ▶ \$472,994 was spent on improvements to the location of the planned Transit facility at the corner of Seventh and Watt Streets, bringing the total spent to date to \$1,204,961. Bids were taken June 21, 2007 and funding sources were not adequate to allow the City to move forward. We are currently awaiting word of financial assistance from the State of Ohio.
- ▶ The City did \$20,853 in street and alley improvements.
- ▶ Building permits totaled \$97,973 in 2007 for \$47,408,815 in new construction and major rehab work.
- ▶ The local contractor registration ordinance that was passed in 1996 resulted in registering more than 380 contractors and fee revenue of \$21,000.
- ▶ The C.I.C. is building a 50,000 square foot spec building funded by a state grant for \$500,000 and a \$500,000 zero interest loan for seven years. This building is being constructed in the Route 104 Industrial Park.

- ▶ \$24,300 was received from Ross County Jobs and Family Services to help open and operate the swimming pool in 2007.
- ▶ The City continues to work with Ross County Jobs and Family Services to utilize their personnel in various areas. Ross County Jobs and Family Services continues to lend support to the City in many ways including their Rossgo Program. This program is a coordinated effort between Ross County Jobs and Family Services, Chillicothe Transit, MRDD and other public and private transporters to provide transportation throughout Ross County. Ross County Jobs and Family Services total contribution for 2007 was \$721,811.
- ▶ The City borrowed \$600,000 in notes to assist in the purchase of the new aerial tower fire truck for \$1,000,000.
- ▶ Bridge Street was widened to five lanes from Main Street to Riverside Street at a cost of \$55,600 to the City.
- ▶ The City appropriated \$25,000 to demolish nuisance properties.
- ▶ The City received a grant of \$18,070 to assist in the purchase of bulletproof vests for our Police Department.
- ▶ \$45,000 was appropriated to replace 32 sets of turnout gear for our Firefighters.
- ▶ The City received a 2 year grant for \$398,997 for the Law Director's office to improve our service to victims of domestic violence.
- ▶ Annexation of 9.1338 acres on the east side of North Bridge Street to provide further commercial development in the City was done in 2007.

### **Future Initiatives**

The year 2008 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 2008.
- ▶ The addition of sewers for the Neenah Garden area is still in the planning stage.
- ▶ Plans are continuing to develop for the Herron property on Route 23 north, which is 800 acres and will include a full range of usage for jobs, retail and housing. It is planned to extend City sewer service to this site at a cost of \$250,000.
- ▶ Expansion of our park facilities will continue with the addition of a 40 acre soccer complex west of our City on land donated by Sunrush Enterprises.
- ▶ The Mayor was authorized to enter into a contract for red light cameras at selected intersections.
- ▶ The City contributed \$15,000 towards the cost of a \$55,000 study with Hyatt Palma to help revitalize our downtown.

### **Budgetary Controls**

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

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

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

### **Internal Controls**

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

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, 2007 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, 2006. 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, 2006. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### **Acknowledgment**

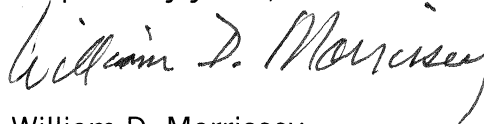
This Comprehensive Annual Financial Report for the City of Chillicothe is the seventeenth for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand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

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

I would also like to thank J. L. Uhrig & Associates, C.P.A. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein. Our thanks also to the State of Ohio Auditor, Mary Taylor's staff for their assistance and helpful service throughout the 23 years I have served as Chillicothe City Auditor.

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

Respectfully yours,



William D. Morrissey  
Chillicothe City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chillicothe  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

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.



*Charles S. Cox*

President

*Jeffrey R. Egan*

Executive Director

CITY OF CHILLICOTHE, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2007

Prepared by Office of City Auditor

CITY OFFICIALS

MAYOR

Joseph P. Sulzer  
Term Expires 12-31-11

CITY COUNCIL

Robert L. Shoultz  
President  
Term Expires 12-31-11

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

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

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

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

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

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

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

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

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

CITY AUDITOR

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

CITY TREASURER

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

DIRECTOR OF LAW

Toni Eddy  
Second Term Expires 12-31-09

CITY OF CHILLICOTHE, OHIO  
LISTING OF APPOINTED OFFICIALS

ENGINEER	Thomas Day
CHIEF OF STAFF	Matthew Allen
UTILITIES DIRECTOR	Richard Johnson
SAFETY/SERVICE DIRECTOR	Michael Pfeiffer
PERSONNEL DIRECTOR	Nancy McNeeley
RECREATION DIRECTOR	Cathy Primer
TRANSIT DIRECTOR	Michael Scholl
CLERK OF COUNCIL	John Fosson
ASSISTANT LAW DIRECTOR	Mark Preston
ASSISTANT LAW DIRECTOR	Edward Bunstine
ASSISTANT LAW DIRECTOR	Michelle Rout
ASSISTANT LAW DIRECTOR	Anna V. Jenkins



CITY OF CHILLICOTHE, OHIO  
2007 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



# Mary Taylor, CPA

Auditor of State

## 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, 2007, 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, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Bus Transit 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, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

**Mary Taylor, CPA**  
Auditor of State

May 12, 2008



## City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Unaudited

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The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of its financial activities for the year ended December 31, 2007. 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 \$1,657,537; net assets of the governmental activities decreased \$2,824,053; and net assets of the business-type activities increased \$1,166,516.
2. The General Fund balance of \$3,491,906 decreased \$509,812 or 12.74% from the previous year's balance of \$4,001,718. This was a result of increased expenses in General Government, Police and Fire.

### Overview of the Financial Statements

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

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

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

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

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

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

## City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Unaudited

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**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 Bus Transit 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, 2007

Unaudited

### The City of Chillicothe as a Whole

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

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

	<b>Net Assets</b>					
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Assets</b>						
Current and Other Assets	\$11,222,852	\$11,798,344	\$10,963,196	\$10,545,455	\$22,186,048	\$22,343,799
Capital Assets, Net	<u>41,810,595</u>	<u>43,490,930</u>	<u>40,378,222</u>	<u>41,114,918</u>	<u>82,188,817</u>	<u>84,605,848</u>
<i>Total Assets</i>	<u>53,033,447</u>	<u>55,289,274</u>	<u>51,341,418</u>	<u>51,660,373</u>	<u>104,374,865</u>	<u>106,949,647</u>
<b>Liabilities</b>						
Current and Other Liabilities	3,442,103	2,867,982	643,174	560,924	4,085,277	3,728,906
Long-Term Liabilities:						
Due within One Year	1,269,250	1,185,963	1,605,494	1,540,538	2,874,744	2,726,501
Due in More Than One Year	<u>3,930,221</u>	<u>4,019,403</u>	<u>8,950,129</u>	<u>10,582,806</u>	<u>12,880,350</u>	<u>13,902,209</u>
<i>Total Liabilities</i>	<u>8,641,574</u>	<u>8,073,348</u>	<u>11,198,797</u>	<u>12,684,268</u>	<u>19,840,371</u>	<u>20,757,616</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	39,625,809	42,148,445	30,375,860	29,514,918	70,001,669	71,663,363
Restricted for:						
Debt Service	0	0	1,902,831	1,784,142	1,902,831	1,784,142
Capital Projects	749,643	860,236	1,818,467	1,712,772	2,568,110	2,573,008
Permanent Fund Purpose:						
Expendable	2,107	2,067	0	0	2,107	2,067
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Other Purposes	2,962,876	2,537,400	0	0	2,962,876	2,537,400
Unrestricted (Deficit)	<u>1,050,438</u>	<u>1,666,778</u>	<u>6,045,463</u>	<u>5,964,273</u>	<u>7,095,901</u>	<u>7,631,051</u>
<i>Total Net Assets</i>	<u>\$44,391,873</u>	<u>\$47,215,926</u>	<u>\$40,142,621</u>	<u>\$38,976,105</u>	<u>\$84,534,494</u>	<u>\$86,192,031</u>

Current and other assets of governmental activities decreased by \$575,492 or 4.88% due mostly to decreases in intergovernmental receivable, income tax receivable and property tax 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 increased by \$568,226 or 7.04% due to an increase in intergovernmental payable.

## City of Chillicothe, Ohio

### Management's Discussion and Analysis

For the Year Ended December 31, 2007

Unaudited

Current and other assets of business-type activities increased by \$417,741 or 3.96% due to an increase in cash and cash equivalents used to retire debt. Capital assets decreased by \$736,696 or 1.79% due to depreciation expense exceeding current capital asset additions.

Total liabilities of business-type activities decreased by \$1,485,471 or 11.71% due to principal retirement of debt. Investment in capital assets, net of related debt increased \$860,942 or 2.92% due to principal retirement of debt.

The City of Chillicothe's total net assets decreased from \$86,192,031 in 2006 to \$84,534,494 in 2007, a change of \$1,657,537 or 1.92%.

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 \$2,824,053 or 5.98% and an increase in the net assets of the business-type activities of \$1,166,516 or 2.99%.

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

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for years 2007 and 2006.

### Changes in Net Assets

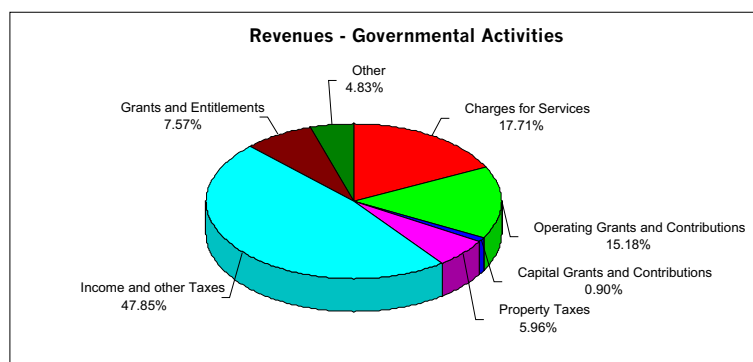
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$3,942,793	\$3,507,755	\$7,944,660	\$7,461,299	\$11,887,453	\$10,969,054
Operating Grants and Contributions	3,380,757	4,006,861	0	0	3,380,757	4,006,861
Capital Grants and Contributions	200,230	390,873	0	0	200,230	390,873
General Revenues:						
Property Taxes	1,326,388	1,425,510	0	0	1,326,388	1,425,510
Income and Other Taxes	10,654,078	10,564,465	0	0	10,654,078	10,564,465
Grants and Entitlements	1,685,694	1,775,562	0	0	1,685,694	1,775,562
Other	1,076,037	1,223,271	361,281	200,701	1,437,318	1,423,972
<i>Total Revenues</i>	<u>22,265,977</u>	<u>22,894,297</u>	<u>8,305,941</u>	<u>7,662,000</u>	<u>30,571,918</u>	<u>30,556,297</u>
<b>Program Expenses</b>						
General Government	5,063,213	4,021,651	0	0	5,063,213	4,021,651
<i>Security of Persons and Property:</i>						
Police	5,693,551	4,895,745	0	0	5,693,551	4,895,745
Fire	4,567,222	4,751,817	0	0	4,567,222	4,751,817
Transportation	6,730,013	6,446,996	0	0	6,730,013	6,446,996
Community Environment	772,615	698,547	0	0	772,615	698,547
Basic Utility Services	1,064,347	1,006,902	0	0	1,064,347	1,006,902
Leisure Time Activities	1,089,656	1,040,184	0	0	1,089,656	1,040,184
Interest and Fiscal Charges	91,207	101,033	0	0	91,207	101,033
Water and Sewer	0	0	7,157,631	6,734,706	7,157,631	6,734,706

**City of Chillicothe, Ohio**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2007  
 Unaudited

Total Expenses	<u>25,071,824</u>	<u>22,962,875</u>	<u>7,157,631</u>	<u>6,734,706</u>	<u>32,229,455</u>	<u>29,697,581</u>
Increase (Decrease) in Net Assets Before Transfers	(2,805,847)	(68,578)	1,148,310	927,294	(1,657,537)	858,716
Net Transfers In (Out)	<u>(18,206)</u>	<u>(16,667)</u>	<u>18,206</u>	<u>16,667</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	(2,824,053)	(85,245)	1,166,516	943,961	(1,657,537)	858,716
Net Assets at Beginning of Year	<u>47,215,926</u>	<u>47,301,171</u>	<u>38,976,105</u>	<u>38,032,144</u>	<u>86,192,031</u>	<u>85,333,315</u>
Net Assets at End of Year	<u><u>\$44,391,873</u></u>	<u><u>\$47,215,926</u></u>	<u><u>\$40,142,621</u></u>	<u><u>\$38,976,105</u></u>	<u><u>\$84,534,494</u></u>	<u><u>\$86,192,031</u></u>

**Governmental Activities**

Governmental activities decreased the City of Chillicothe's net assets by \$2,824,053. The primary reason for the decrease in net assets relates to a 9.18% increase in expenses and a 2.74% decrease in revenues. The major cost factors involved in the increase in General Government, Police, Transportation, Basic Utility Services, Community Environment, and Leisure Time Activities are salaries and fringe benefits, including medical insurance. Revenues were relatively stable except for charges for services which increased 12.40%, operating grants and contributions which decreased 15.63%, and capital grants and contributions which decreased 48.77% for the year.

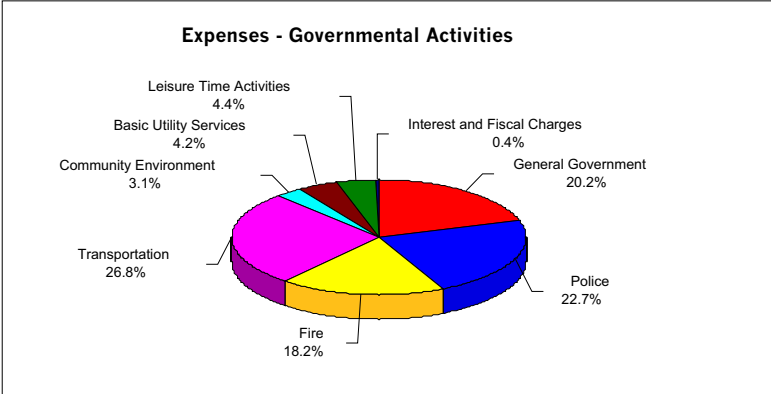


The income and other tax revenue for 2007 was \$10,654,078. Of the \$22,265,977 in total revenues, income and other tax accounts for 47.85% of that total. Charges for services of \$3,942,793 account for 17.71% of total revenues. Operating and capital grants and contributions account for 16.08% of the total and unrestricted grants and entitlements, property taxes, and other revenue make up the remaining 18.36%.

Operating grants and contributions decreased \$626,104 or 15.63% in 2007. This was due to decreases in intergovernmental receivable and bus transit grant funding. Capital grants and contributions decreased \$190,643 or 48.77% in 2007. This was the result of a decrease in Issue II grant funding received in 2007. Charges for services increased \$435,038 or 12.40% in 2007. This was due to increases in charges for services and fines, licenses and permits received in the General Fund.

**City of Chillicothe, Ohio**  
 Management’s Discussion and Analysis  
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 Unaudited

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

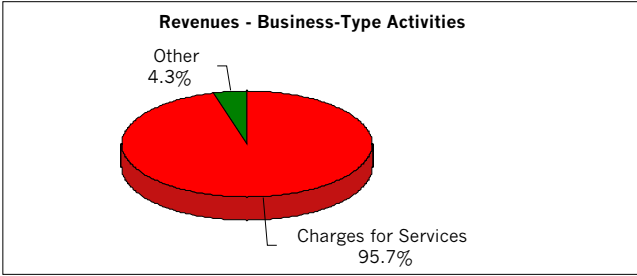


General Government, Transportation and Security of Persons and Property expenses increased due to an increase in salaries and fringe benefits.

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

**Business-Type Activities**

The business-type activities of the City of Chillicothe, which include its water and sewer operations, increased the net assets by \$1,166,516. The majority of the increase in net assets is the result of the increase in charges for services of \$483,361 or 6.48% in 2007.



**Financial Analysis of the City of Chillicothe’s Funds**

**Governmental Funds**

The focus of the City of Chillicothe’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting. The General Fund is the chief operating fund of the City of Chillicothe. At the end of 2007, the total fund balance for the General Fund was \$3,491,906 of which \$3,274,545 was unreserved.

## **City of Chillicothe, Ohio**

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Unaudited

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During the current year, the fund balance of the General Fund decreased by \$509,812. The decrease in the General Fund balance is a result of increases in General Government and Police expenditures and a decrease in Transfers-Out.

At the end of 2007, the Bus Transit Fund had a fund balance of \$334,933, which is a decrease of \$320,438. This was the result of an increase in expenditures due to an increase in personnel during 2007. Of the fund balance in the Bus Transit Fund \$247,749 was unreserved.

### **Proprietary Funds**

During the current year, the net assets of the City of Chillicothe's water fund increased by \$595,920 or 2.98%. The increase in the Water Fund net assets is due mostly to a decrease in revenue bonds payable.

During the current year, the net assets of the Sewer Fund increased by \$570,596 or 3.01%. The increase in the Sewer Fund net assets is due mostly to a decrease in general obligation bonds payable.

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

The City of Chillicothe's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2007, 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 \$15,545,194 and the final budgeted revenue amount was \$16,194,921.

The difference between the General Fund's final budget and actual revenues in the Local Taxes was \$307,478 or 3.35%. The difference was due to an increase in the receipt of municipal income tax.

The differences between the General Fund's original budget and final amended budget of expenditures amounted to a \$842,611 increase, which included the changes that follow:

- The significant changes were \$278,808 additional appropriation in general government, \$232,713 in security of persons and property, and \$150,830 in basic utility services.

The difference between the General Fund's final budget and actual for the general government expenditures was \$590,727 or 9.39%. This decrease in actual expenditures was the result of decreases in overtime and Capital Outlay expenditures in Municipal Court.

## City of Chillicothe, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Unaudited

### Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities	
	2007	2006	2007	2006
Land	\$6,641,050	\$6,641,050	\$1,889,017	\$1,889,017
Land Improvements	69,640	129,213	0	0
Buildings, Structures and Improvements	6,402,010	6,673,335	2,201,808	2,316,334
Plant and Facilities	0	0	16,356,622	16,855,757
Furniture, Fixtures, & Equipment	2,312,763	1,620,898	427,351	169,816
Infrastructure	26,385,132	28,426,434	19,503,424	19,883,994
Total	<u>\$41,810,595</u>	<u>\$43,490,930</u>	<u>\$40,378,222</u>	<u>\$41,114,918</u>

Total capital assets for governmental activities of the City of Chillicothe for the year 2007 were \$41,810,595 or \$1,680,335 less than in 2006. This decrease was mostly due to the annual depreciation expense.

The decrease in capital assets for business-type activities of \$736,696 was due primarily to the annual depreciation expense.

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

As of December 31, 2007, the City of Chillicothe had \$12,488,287 in bonds, OPWC loan, and notes outstanding with \$2,912,613 due within one year.

#### OUTSTANDING DEBT AT DECEMBER 31

	2007	2006
<b>Governmental Activities</b>		
General Obligation Bond Retirement Bonds:		
Various Purpose	\$955,000	\$1,195,000
Police and Fire Pension	450,000	465,000
Street Improvement Note	400,000	600,000
Fire Truck Acquisition Note	600,000	0
OPWC Loan	88,287	100,900
Total Governmental Activities	2,493,287	2,360,900
<b>Business-Type Activities</b>		
Water Revenue Bonds	7,660,000	8,625,000
Sewer Revenue Bonds	265,000	520,000
Sewer General Obligation Bonds	1,770,000	1,855,000
Water and Sewer Notes	300,000	600,000
Total Business-Type Activities	9,995,000	11,600,000
Total	<u>\$12,488,287</u>	<u>\$13,960,900</u>



## **City of Chillicothe, Ohio**

Management's Discussion and Analysis

For the Year Ended December 31, 2007

Unaudited

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

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

There is \$7,660,000 in water revenue bonds and \$265,000 in sewer revenue bonds.

The \$400,000 general obligation note is for street improvements.

The \$600,000 general obligation note is for the fire truck acquisition.

The \$300,000 water note is for the water tower.

The \$88,287 OPWC loan was for street improvements.

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

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

In spite of continuing reductions in employment levels at Glatfelter and Horizon Communications in 2007, 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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City of Chillicothe, Ohio

Statement of Net Assets

December 31, 2007

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash & Cash Equivalents	\$5,713,532	\$5,837,321	\$11,550,853
Cash and Cash Equivalents in Segregated Accounts	4,888	0	4,888
Investment in City Treasury	1,000	0	1,000
Accounts Receivable	262,470	1,211,601	1,474,071
Intergovernmental Receivable	2,415,308	0	2,415,308
Income Tax Receivable	1,146,257	0	1,146,257
Property Tax Receivable	1,310,883	0	1,310,883
Other Taxes Receivable	115,717	0	115,717
Special Assessments Receivable	47,079	9,282	56,361
Materials and Supplies Inventory	82,300	26,457	108,757
Prepaid Items	123,418	46,365	169,783
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	0	1,818,467	1,818,467
Cash & Cash Equivalents with Fiscal and Trustees	0	1,902,831	1,902,831
Deferred Charges	0	110,872	110,872
Nondepreciable Capital Assets	6,641,050	1,889,017	8,530,067
Depreciable Capital Assets, Net	35,169,545	38,489,205	73,658,750
<b>Total Assets</b>	<b>53,033,447</b>	<b>51,341,418</b>	<b>104,374,865</b>
<b>Liabilities</b>			
Accounts Payable	120,693	115,981	236,674
Contracts Payable	278,076	9,016	287,092
Accrued Wages Payable	223,867	42,575	266,442
Intergovernmental Payable	1,103,210	138,932	1,242,142
Accrued Interest Payable	16,721	36,670	53,391
Unearned/Deferred Revenue	1,299,536	0	1,299,536
Notes Payable	1,000,000	300,000	1,300,000
<i>Long-Term Liabilities:</i>			
Due within One Year	1,269,250	1,605,494	2,874,744
Due in More Than One Year	3,330,221	8,950,129	12,280,350
<b>Total Liabilities</b>	<b>8,641,574</b>	<b>11,198,797</b>	<b>19,840,371</b>
<b>Net Assets</b>			
Investments in Capital Assets, Net of Related Debt	39,625,809	30,375,860	70,001,669
<i>Restricted for:</i>			
Debt Service	0	1,902,831	1,902,831
Capital Projects	749,643	1,818,467	2,568,110
Housing and Urban Development Program	355,957	0	355,957
Street Maintenance and Repair	500,525	0	500,525
Bus Transit	210,363	0	210,363
Other Purposes	1,896,031	0	1,896,031
<i>Permanent Fund Purpose:</i>			
Expendable	2,107	0	2,107
Nonexpendable	1,000	0	1,000
Unrestricted	1,050,438	6,045,463	7,095,901
<b>Total Net Assets</b>	<b>\$44,391,873</b>	<b>\$40,142,621</b>	<b>\$84,534,494</b>

See accompanying notes to the basic financial statements

Statement of Activities

For the Year Ended December 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$5,063,213	\$1,503,926	\$24,039	\$0
<i>Security of Persons and Property:</i>				
Police	5,693,551	54,079	0	0
Fire	4,567,222	936,958	0	0
Transportation	6,730,013	212,326	2,722,949	200,230
Community Environment	772,615	0	629,112	0
Basic Utility Services	1,064,347	1,135,399	0	0
Leisure Time Activities	1,089,656	100,105	4,657	0
Interest and Fiscal Charges	91,207	0	0	0
<b>Total Governmental Activities</b>	<b>25,071,824</b>	<b>3,942,793</b>	<b>3,380,757</b>	<b>200,230</b>
<b>Business-Type Activities</b>				
Water	4,134,872	4,476,992	0	0
Sewer	3,022,759	3,467,668	0	0
<b>Total Business-Type Activities</b>	<b>7,157,631</b>	<b>7,944,660</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$32,229,455</b>	<b>\$11,887,453</b>	<b>\$3,380,757</b>	<b>\$200,230</b>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Police and Fire Pension

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
(\$3,535,248)	\$0	(\$3,535,248)
(5,639,472)	0	(5,639,472)
(3,630,264)	0	(3,630,264)
(3,594,508)	0	(3,594,508)
(143,503)	0	(143,503)
71,052	0	71,052
(984,894)	0	(984,894)
(91,207)	0	(91,207)
(17,548,044)	0	(17,548,044)
0	342,120	342,120
0	444,909	444,909
0	787,029	787,029
(17,548,044)	787,029	(16,761,015)
1,071,126	0	1,071,126
255,262	0	255,262
9,594,677	0	9,594,677
810,292	0	810,292
249,109	0	249,109
1,685,694	0	1,685,694
656,517	112,221	768,738
419,520	249,060	668,580
14,742,197	361,281	15,103,478
(18,206)	18,206	0
14,723,991	379,487	15,103,478
(2,824,053)	1,166,516	(1,657,537)
47,215,926	38,976,105	86,192,031
<u>\$44,391,873</u>	<u>\$40,142,621</u>	<u>\$84,534,494</u>

City of Chillicothe, Ohio

Balance Sheet  
Governmental Funds

December 31, 2007

	General	Bus Transit Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash & Cash Equivalents	\$2,483,975	\$329,036	\$2,900,521	\$5,713,532
Cash and Cash Equivalents in Segregated Accounts	0	0	4,888	4,888
Investment in City Treasury	0	0	1,000	1,000
Accounts Receivable	260,898	0	1,572	262,470
Interfund Receivable	63,615	500	163,000	227,115
Intergovernmental Receivable	925,437	93,019	1,396,852	2,415,308
Income Tax Receivable	931,333	71,641	143,283	1,146,257
Property Tax Receivable	1,058,601	0	252,282	1,310,883
Other Taxes Receivable	115,717	0	0	115,717
Special Assessments Receivable	47,079	0	0	47,079
Materials and Supplies Inventory	64,973	7,778	9,549	82,300
Prepaid Items	107,478	9,233	6,707	123,418
<b>Total Assets</b>	<b><u>\$6,059,106</u></b>	<b><u>\$511,207</u></b>	<b><u>\$4,879,654</u></b>	<b><u>\$11,449,967</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$78,221	\$17,681	\$24,791	\$120,693
Contracts Payable	27,980	41,415	208,681	278,076
Accrued Wages Payable	182,565	20,500	20,802	223,867
Intergovernmental Payable	660,977	75,473	366,760	1,103,210
Interfund Payable	0	21,205	205,910	227,115
Accrued Interest Payable	0	0	12,484	12,484
Notes Payable	0	0	600,000	600,000
Deferred Revenue	1,617,457	0	1,047,058	2,664,515
<b>Total Liabilities</b>	<b><u>2,567,200</u></b>	<b><u>176,274</u></b>	<b><u>2,486,486</u></b>	<b><u>5,229,960</u></b>
<b>Fund Balances</b>				
Reserved for Permanent Fund	0	0	1,000	1,000
Reserved for Encumbrances	109,883	77,951	148,679	336,513
Reserved for Prepaid Items	107,478	9,233	6,707	123,418
<i>Unreserved Reported in:</i>				
General Fund	3,274,545	0	0	3,274,545
Special Revenue Funds	0	247,749	1,690,536	1,938,285
Debt Service Fund	0	0	15,950	15,950
Capital Projects Funds	0	0	528,189	528,189
Permanent Fund	0	0	2,107	2,107
<b>Total Fund Balances</b>	<b><u>3,491,906</u></b>	<b><u>334,933</u></b>	<b><u>2,393,168</u></b>	<b><u>6,220,007</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$6,059,106</u></b>	<b><u>\$511,207</u></b>	<b><u>\$4,879,654</u></b>	<b><u>\$11,449,967</u></b>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

December 31, 2007

**Total Governmental Fund Balances** \$6,220,007

**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 41,810,595

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

Property and Other Taxes	41,643
Intergovernmental	1,306,815
Special Assessments	<u>16,521</u>

Total 1,364,979

Some interest is not due and payable in the current period and  
therefore is not reported in the funds. (4,237)

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	(955,000)
Police & Fire Pension Bonds	(450,000)
OPWC Loan Payable	(88,287)
Notes Payable	(400,000)
Premium on Bonds Issued	(8,322)
Capital Leases Payable	(141,498)
Landfill Postclosure Costs	(614,280)
Compensated Absences Payable	<u>(2,342,084)</u>

Total (4,999,471)

Net Assets of Governmental Activities \$44,391,873

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, 2007

	General	Bus Transit Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$1,070,864	\$0	\$255,256	\$1,326,120
Municipal Income Taxes	8,106,618	654,591	1,712,244	10,473,453
Other Taxes	249,109	0	0	249,109
Charges for Services	2,136,461	157,413	92,668	2,386,542
Fines, Licenses, and Permits	1,513,147	0	43,104	1,556,251
Intergovernmental	1,746,766	1,786,910	1,905,765	5,439,441
Special Assessments	19,934	0	0	19,934
Investment Earnings	656,255	0	262	656,517
Miscellaneous	246,340	41,500	143,531	431,371
Total Revenue	<u>15,745,494</u>	<u>2,640,414</u>	<u>4,152,830</u>	<u>22,538,738</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	4,665,835	0	339,284	5,005,119
<i>Security of Persons and Property:</i>				
Police	4,523,856	0	489,327	5,013,183
Fire	3,948,527	0	614,842	4,563,369
Transportation	217,556	2,924,784	1,500,896	4,643,236
Community Environment	292	0	489,561	489,853
Basic Utility Services	1,069,275	0	0	1,069,275
Leisure Time Activities	118,906	0	781,657	900,563
Capital Outlay	0	0	1,599,605	1,599,605
<i>Debt Service:</i>				
Principal Retirement	47,309	4,651	669,545	721,505
Interest and Fiscal Charges	11,040	881	81,834	93,755
Total Expenditures	<u>14,602,596</u>	<u>2,930,316</u>	<u>6,566,551</u>	<u>24,099,463</u>
Excess of Revenues Over (Under) Expenditures	<u>1,142,898</u>	<u>(289,902)</u>	<u>(2,413,721)</u>	<u>(1,560,725)</u>
<b>Other Financing Sources (Uses):</b>				
Inception of Capital Lease	71,885	0	0	71,885
Issuance of Notes	0	0	400,000	400,000
Proceeds from Sale of Capital Assets	25,019	108	4,600	29,727
Transfers-In	136,386	0	2,102,918	2,239,304
Transfers-Out	<u>(1,886,000)</u>	<u>(30,644)</u>	<u>(340,866)</u>	<u>(2,257,510)</u>
Total Other Sources (Uses)	<u>(1,652,710)</u>	<u>(30,536)</u>	<u>2,166,652</u>	<u>483,406</u>
Net Change in Fund Balances	(509,812)	(320,438)	(247,069)	(1,077,319)
Fund Balances at Beginning of Year	<u>4,001,718</u>	<u>655,371</u>	<u>2,640,237</u>	<u>7,297,326</u>
Fund Balances at End of Year	<u><u>\$3,491,906</u></u>	<u><u>\$334,933</u></u>	<u><u>\$2,393,168</u></u>	<u><u>6,220,007</u></u>

See accompanying notes to the basic financial statements



City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

**Net Change in Fund Balances - Total Governmental Funds** (\$1,077,319)

**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	2,379,669	
Current Year Depreciation	<u>(3,953,248)</u>	
Total		(1,573,579)

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.

(106,756)

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

Delinquent Property Taxes	6	
Income Taxes	(68,484)	
Intergovernmental	(201,194)	
Special Assessments	<u>(3,089)</u>	
Total		(272,761)

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

721,505

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

2,547

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.

(471,885)

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

74,448

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	(158,971)	
Capital Leases Traded-In	<u>38,718</u>	
Total		<u>(120,253)</u>

Change in Net Assets - Governmental Activities

(\$2,824,053)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$9,169,619	\$9,169,619	\$9,477,097	\$307,478
Charges for Services	2,776,900	2,949,800	3,049,599	99,799
Fines, Licenses and Permits	1,366,000	1,396,000	1,505,142	109,142
Intergovernmental	1,580,889	1,660,716	1,790,564	129,848
Special Assessments	0	0	19,934	19,934
Investment Earnings	400,000	600,000	656,349	56,349
Miscellaneous	251,786	251,786	341,935	90,149
Total Revenue	<u>15,545,194</u>	<u>16,027,921</u>	<u>16,840,620</u>	<u>812,699</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	6,007,317	6,286,125	5,695,398	590,727
Security of Persons and Property				
Police	4,352,410	4,521,429	4,439,093	82,336
Fire	3,891,464	3,955,158	3,838,602	116,556
Transportation	215,000	225,260	217,556	7,704
Community Environment	1,085	1,085	292	793
Basic Utility Services	974,867	1,125,697	1,080,136	45,561
Leisure Time Activities	126,288	129,288	115,669	13,619
Total Expenditures	<u>15,568,431</u>	<u>16,244,042</u>	<u>15,386,746</u>	<u>857,296</u>
Excess of Revenues Over (Under) Expenditures	(23,237)	(216,121)	1,453,874	1,669,995
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	0	25,019	25,019
Transfers - In	167,000	167,000	136,386	(30,614)
Transfers - Out	(1,091,000)	(1,936,000)	(1,886,000)	50,000
Total Other Sources (Uses)	<u>(924,000)</u>	<u>(1,769,000)</u>	<u>(1,724,595)</u>	<u>44,405</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(947,237)	(1,985,121)	(270,721)	1,714,400
Fund Balances at Beginning of Year	2,436,299	2,436,299	2,436,299	0
Prior Year Encumbrances Appropriated	<u>108,815</u>	<u>108,815</u>	<u>108,815</u>	<u>0</u>
Fund Balances at End of Year	<u>\$1,597,877</u>	<u>\$559,993</u>	<u>\$2,274,393</u>	<u>\$1,714,400</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$611,000	\$611,000	\$662,182	\$51,182
Charges for Services	74,000	74,000	157,413	83,413
Intergovernmental	4,192,451	4,192,451	2,058,213	(2,134,238)
Other	27,500	27,500	41,455	13,955
Total Revenue	<u>4,904,951</u>	<u>4,904,951</u>	<u>2,919,263</u>	<u>(1,985,688)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation	<u>5,265,663</u>	<u>5,458,532</u>	<u>3,229,580</u>	<u>2,228,952</u>
Total Expenditures	<u>5,265,663</u>	<u>5,458,532</u>	<u>3,229,580</u>	<u>2,228,952</u>
Excess of Revenues (Under) Expenditures	(360,712)	(553,581)	(310,317)	243,264
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	0	108	108
Transfers-Out	<u>(32,300)</u>	<u>(30,743)</u>	<u>(30,643)</u>	<u>100</u>
Total Other Sources (Uses)	<u>(32,300)</u>	<u>(30,743)</u>	<u>(30,535)</u>	<u>208</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(393,012)	(584,324)	(340,852)	243,472
Fund Balances at Beginning of Year	(345,805)	(345,805)	(345,805)	0
Prior Year Encumbrances Appropriated	<u>937,740</u>	<u>937,740</u>	<u>937,740</u>	<u>0</u>
Fund Balances at End of Year	<u>\$198,923</u>	<u>\$7,611</u>	<u>\$251,083</u>	<u>\$243,472</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fund Net Assets  
Proprietary Funds

December 31, 2007

	Enterprise Funds		Total
	Water	Sewer	
<b>Assets</b>			
<i>Current:</i>			
Equity in Pooled Cash & Cash Equivalents	\$3,292,442	\$2,544,879	\$5,837,321
Accounts Receivable	717,374	494,227	1,211,601
Special Assessments Receivable	7,483	1,799	9,282
Materials and Supplies Inventory	21,606	4,851	26,457
Prepaid Items	29,552	16,813	46,365
<b>Total Current Assets</b>	<b>4,068,457</b>	<b>3,062,569</b>	<b>7,131,026</b>
<i>Noncurrent:</i>			
<i>Restricted Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	1,200,000	618,467	1,818,467
Cash & Cash Equivalents with Fiscal and Trustees	1,578,632	324,199	1,902,831
Deferred Charges	110,872	0	110,872
Nondepreciable Capital Assets	1,412,520	476,497	1,889,017
Depreciable Capital Assets, Net	20,857,751	17,631,454	38,489,205
<b>Total Noncurrent Assets</b>	<b>25,159,775</b>	<b>19,050,617</b>	<b>44,210,392</b>
<b>Total Assets</b>	<b>29,228,232</b>	<b>22,113,186</b>	<b>51,341,418</b>
<b>Liabilities</b>			
<i>Current:</i>			
Accounts Payable	83,425	32,556	115,981
Contracts Payable	8,436	580	9,016
Accrued Wages Payable	18,309	24,266	42,575
Compensated Absences Payable	121,806	146,609	268,415
Intergovernmental Payable	72,657	66,275	138,932
Accrued Interest Payable	30,226	6,444	36,670
Notes Payable	300,000	0	300,000
General Obligation Bonds Payable	0	85,000	85,000
Capital Leases Payable	2,079	0	2,079
Revenue Bonds Payable	985,000	265,000	1,250,000
<b>Total Current Liabilities</b>	<b>1,621,938</b>	<b>626,730</b>	<b>2,248,668</b>
<i>Noncurrent:</i>			
Compensated Absences Payable	168,127	261,434	429,561
General Obligation Bonds Payable	0	1,685,000	1,685,000
Revenue Bonds Payable	6,830,285	0	6,830,285
Capital Leases Payable	5,283	0	5,283
<b>Total Noncurrent Liabilities</b>	<b>7,003,695</b>	<b>1,946,434</b>	<b>8,950,129</b>
<b>Total Liabilities</b>	<b>8,625,633</b>	<b>2,573,164</b>	<b>11,198,797</b>
<b>Net Assets</b>			
Investments in Capital Assets, Net of Related Debt	14,302,909	16,072,951	30,375,860
<i>Restricted for:</i>			
Debt Service	1,578,632	324,199	1,902,831
Capital Projects	1,200,000	618,467	1,818,467
Unrestricted	3,521,058	2,524,405	6,045,463
<b>Total Net Assets</b>	<b>\$20,602,599</b>	<b>\$19,540,022</b>	<b>\$40,142,621</b>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Enterprise Funds		Total
	Water	Sewer	
<b>Operating Revenues</b>			
Charges for Services	\$4,476,992	\$3,467,668	\$7,944,660
Other Operating Revenue	167,183	81,877	249,060
<b>Total Operating Revenues</b>	<b>4,644,175</b>	<b>3,549,545</b>	<b>8,193,720</b>
<b>Operating Expenses</b>			
Personal Services	1,045,880	966,873	2,012,753
Fringe Benefits	632,896	581,340	1,214,236
Contractual Services	114,790	62,022	176,812
Transportation	0	142	142
Materials and Supplies	711,223	322,048	1,033,271
Depreciation	677,121	622,202	1,299,323
Other Operating Expense	581,190	372,441	953,631
<b>Total Operating Expenses</b>	<b>3,763,100</b>	<b>2,927,068</b>	<b>6,690,168</b>
Operating Income	881,075	622,477	1,503,552
<b>Non-Operating Revenues (Expenses)</b>			
Bond Issue Costs	(22,792)	0	(22,792)
Interest Income	92,456	19,765	112,221
Loss on Disposal of Capital Assets	(47,475)	(7,141)	(54,616)
Interest and Fiscal Charges	(301,505)	(88,550)	(390,055)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(279,316)</b>	<b>(75,926)</b>	<b>(355,242)</b>
Income Before Transfers	601,759	546,551	1,148,310
Transfers - In	0	30,000	30,000
Transfers - Out	(5,839)	(5,955)	(11,794)
Change in Net Assets	595,920	570,596	1,166,516
Net Assets at Beginning of Year	20,006,679	18,969,426	38,976,105
Net Assets at End of Year	\$20,602,599	\$19,540,022	\$40,142,621

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2007

	Enterprise Funds		Total
	Water	Sewer	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$4,485,976	\$3,482,632	\$7,968,608
Cash Received from Other Receipts	130,994	73,035	204,029
Cash Payments to Employees	(1,615,470)	(1,497,282)	(3,112,752)
Cash Payments for Contractual Services	(136,594)	(67,542)	(204,136)
Cash Payments for Supplies & Materials	(700,201)	(306,412)	(1,006,613)
Cash Payments for Other Expenses	(541,097)	(374,296)	(915,393)
Net Cash Provided by Operating Activities	1,623,608	1,310,135	2,933,743
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers-In from Other Funds	0	30,000	30,000
Transfers-Out to Other Funds	(5,839)	(5,955)	(11,794)
Net Cash Used for Noncapital Financing Activities	(5,839)	24,045	18,206
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds Received from Notes	300,000	0	300,000
Interest Paid on Bonds and Notes	(326,956)	(89,777)	(416,733)
Principal Paid on Bonds and Notes	(1,565,000)	(340,000)	(1,905,000)
Cash Paid to Acquire/Construct Capital Assets	(232,623)	(389,348)	(621,971)
Cash Received from Sale of Assets	38	2,300	2,338
Net Cash Used for Capital Related and Financing Activities	(1,824,541)	(816,825)	(2,641,366)
<b>Cash Flows from Investing Activities</b>			
Interest Received on Investments	92,456	19,765	112,221
Net Cash from Investing Activities	92,456	19,765	112,221
Net Increase (Decrease) In Cash and Cash Equivalents	(114,316)	537,120	422,804
Cash and Cash Equivalents at Beginning of Year	6,185,390	2,950,425	9,135,815
Cash and Cash Equivalents at End of Year	\$6,071,074	\$3,487,545	\$9,558,619

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2007

	Enterprise Funds		Total
	Water	Sewer	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	\$881,075	\$622,477	\$1,503,552
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	677,121	622,202	1,299,323
<i>Changes in Assets &amp; Liabilities:</i>			
(Increase) Decrease in Accounts Receivable	(27,117)	5,463	(21,654)
(Increase) Decrease in Special Assessments Receivable	(88)	658	570
(Increase) Decrease in Material & Supply Inventory	7,457	(1,533)	5,924
(Increase) Decrease in Prepaid Items	(1,200)	(362)	(1,562)
Increase (Decrease) in Accounts Payable	44,740	15,914	60,654
Increase (Decrease) in Contracts Payable	(21,166)	(5,109)	(26,275)
Increase (Decrease) in Accrued Wages Payable	(215)	688	473
Increase (Decrease) in Compensated Absences Payable	33,325	22,473	55,798
Increase (Decrease) in Interfund Payable	(500)	(507)	(1,007)
Increase (Decrease) in Intergovernmental Payable	30,206	27,793	57,999
Increase (Decrease) in Claims Payable	(30)	(22)	(52)
Net Cash from Operating Activities	<u>\$1,623,608</u>	<u>\$1,310,135</u>	<u>\$2,933,743</u>

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio

Statement of Fiduciary Net Assets  
Fiduciary Funds

December 31, 2007

	Private Purpose Trust	Agency Funds
	Unclaimed Monies	Agency Funds
<b>Assets</b>		
Equity in Pooled Cash & Cash Equivalents	\$34,258	\$43,338
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>285,248</u>
Total Assets	<u>34,258</u>	<u>328,586</u>
<b>Liabilities</b>		
Intergovernmental Payable	0	40,055
Undistributed Monies	0	241,245
Deposits Held and Due to Others	<u>0</u>	<u>47,286</u>
Total Liabilities	<u>0</u>	<u>\$328,586</u>
<b>Net Assets</b>		
Held in Trust for Potential Claimants	<u>\$34,258</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, 2007

	Private Purpose Trust
	<u>Unclaimed Monies</u>
<b>Additions</b>	
Miscellaneous	\$2,317
<b>Deductions</b>	
Amounts Paid to Funds - Expired Claims	<u>18,383</u>
Total Deductions	<u>18,383</u>
Change in Net Assets	(16,066)
Net Assets at Beginning of Year	<u>50,324</u>
Net Assets at End of Year	<u><u>\$34,258</u></u>

See accompanying notes to the basic financial statements

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

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

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

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

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

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

**Basis of Presentation**

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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**

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

**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**

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

Unearned/Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, have been recorded as unearned/deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenditures/Expenses

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

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

Budgetary Accounting and Control

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

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

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

**Cash and Cash Equivalents**

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

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

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2007 amounted to \$656,255, which includes \$529,969 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.

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

**Inventory**

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



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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**Restricted Assets**

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

**Capital Assets**

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

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

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

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


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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

**Compensated Absences**

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

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

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

**Fund Balance Reserves**

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

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

**Net Assets**

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

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

**Operating Revenues and Expenses**

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

**Interfund Transactions**

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

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

**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 2007.

**Estimates**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) is presented for the General Fund and the Bus Transit 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 and Other Financing Sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and Other Financing Uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance.

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

	General Fund	Bus Transit Fund
<b>GAAP Basis</b>	(\$509,812)	(\$320,438)
Adjustments:		
Net Adjustment for Revenue Accruals	1,095,126	278,849
Net Adjustment for Expenditure Accruals	(671,968)	(221,312)
Encumbrances	(112,182)	(77,951)
Net Adjustment for Other Sources (Uses)	(71,885)	0
<b>Budget Basis</b>	(\$270,721)	(\$340,852)

**NOTE 3A - ACCOUNTABILITY AND COMPLIANCE**

Deficit Fund Balances

<u>Nonmajor Funds</u>	<u>Deficit</u>
Police Pension	\$132,921
Fire Pension	153,666

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

**NOTE 4 - NEW GASB PRONOUNCEMENTS**

For fiscal year 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement 48, "Sales and pledges of receivables and future revenues and intra-entity transfers of assets and future revenues". GASB Statement 48 establishes accounting and financial standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. The application of this new standard did not have a material effect on the City's financial statements, nor did its implementation require a restatement of prior year balances.

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

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

- (1) Bonds, notes or other obligations guaranteed by the United States or those for which the full faith and credit of the United States is pledged;
- (2) Bonds, notes, debentures or other obligations or securities insured by any federal government agency;

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
-Pooled	\$13,446,916
-Segregated	290,136
-Fiscal & Escrow Agents	1,902,831
Investment (Carrying Amount)	1,000
Reconciling items (net) to arrive at bank balances for deposits	<u>59,905</u>
<b>Total available for deposit and investment</b>	<b><u>\$15,700,788</u></b>

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

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

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

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

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**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, 2007, the carrying amount of all City deposits was \$14,060,251. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2007, \$13,720,156 of the City’s bank balance of \$14,120,156 was exposed to custodial risk as discussed above while \$400,000 was covered by Federal Deposit Insurance.

**Investments:** As of December 31, 2007, the City had the following investments and maturities:

Investment Type	Fair Value	One Year or Less
U.S. Treasury Bond	\$1,000	\$1,000
Money Market Mutual Fund	1,578,632	1,578,632
Totals	\$1,579,632	\$1,579,632

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

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

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

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2007 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, 2007**

**Governmental Activities**

*General Fund:*

Local Government Distributions	\$720,238
State Property Tax Reimbursements	59,243
Estate Taxes and Other Revenues	<u>145,956</u>

Total General Fund 925,437

Bus Transportation Grants 93,019

*Nonmajor Special Revenue Funds:*

Street Construction Maintenance & Repair Distributions	477,237
State Highway Distributions	38,695
Housing and Urban Development Grants	250,432
Grants	416,192
Police & Fire Pension State Property Reimbursements	<u>14,066</u>

Total Nonmajor Special Revenue Funds 1,196,622

*Nonmajor Capital Project Funds:*

Issue II Grant	<u>200,230</u>
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**Total Intergovernmental Receivables** \$2,415,308

**NOTE 7- CAPITAL ASSETS**

A summary of changes in general capital assets during 2007 are as follows:

	Balance 01/01/2007	Additions	Deletions	Balance 12/31/2007
<b>Governmental Activities:</b>				
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	4,622,255	59,448	0	4,681,703
Buildings, Structures and Improvements	13,336,488	9,545	0	13,346,033
Furniture, Fixtures, Equipment, & Vehicles	8,586,647	1,569,041	(618,220)	9,537,468
Infrastructure	<u>53,382,083</u>	<u>741,635</u>	<u>0</u>	<u>54,123,718</u>
Total Depreciable Capital Assets	79,927,473	2,379,669	(618,220)	81,688,922

Less Accumulated Depreciation:



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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

Land Improvements	(4,493,042)	(119,021)	0	(4,612,063)
Buildings, Structures and Improvements	(6,663,153)	(280,870)	0	(6,944,023)
Furniture, Fixtures, Equipment, & Vehicles	(6,965,749)	(770,420)	511,464	(7,224,705)
Infrastructure	(24,955,649)	(2,782,937)	0	(27,738,586)
Total Accumulated Depreciation	(43,077,593)	(3,953,248)	511,464	(46,519,377)
Total Capital Assets Being Depreciated, Net	36,849,880	(1,573,579)	(106,756)	35,169,545
<b>Governmental Activities Capital Assets, Net</b>	<u>\$43,490,930</u>	<u>(\$1,573,579)</u>	<u>(\$106,756)</u>	<u>\$41,810,595</u>

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

**Governmental Activities**

General Government	\$186,964
Security of Persons and Property:	
Police	160,667
Fire	368,970
Transportation	2,735,181
Community Environment	315,998
Leisure Time Activities	185,468

**Governmental Activities Depreciation Expense**

\$3,953,248

	Balance 1/1/2007	Additions	Deletions	Balance 12/31/2007
<b>Business-Type Activities:</b>				
Nondepreciable Capital Assets:				
Land	\$1,889,017	\$0	\$0	\$1,889,017
Total Nondepreciable Capital Assets	1,889,017	0	0	1,889,017
Depreciable Capital Assets:				
Land Improvements	272,721	0	0	272,721
Buildings, Structures and Improvements	3,815,022	10,667	0	3,825,689
Plant and Facilities	25,072,722	0	0	25,072,722
Furniture, Fixtures, Equipment, & Vehicles	2,103,869	382,853	(70,393)	2,416,329
Infrastructure	27,798,250	228,451	(89,562)	27,937,139
Total Depreciable Capital Assets	59,062,584	621,971	(159,955)	59,524,600
Less Accumulated Depreciation:				
Land Improvements	(272,721)	(0)	0	(272,721)
Buildings, Structures and Improvements	(1,498,688)	(125,193)	0	(1,623,881)
Plant and Facilities	(8,216,965)	(499,135)	0	(8,716,100)
Furniture, Fixtures, Equipment, & Vehicles	(1,934,053)	(119,551)	64,626	(1,988,978)
Infrastructure	(7,914,256)	(555,444)	35,985	(8,433,715)
Total Accumulated Depreciation	(19,836,683)	(1,299,323)	100,611	(21,035,395)
Depreciable Capital Assets, Net	39,225,901	(677,352)	(59,344)	38,489,205
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$41,114,918</u>	<u>\$(677,352)</u>	<u>\$(59,344)</u>	<u>\$40,378,222</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007, were as follows:

Purpose	Balance 1/1/07	Additions	Deletions	Balance 12/31/07
<b>Governmental Activities:</b>				
Bond Anticipation Notes Payable:				
Fire Truck Acquisition, 3.896%	\$0	\$600,000	\$0	\$600,000
Street Improvement, 4.185%	600,000	0	600,000	0
Street Improvement, 3.94%	0	400,000	0	400,000
<b>Governmental Activities Note Payable</b>	<b>\$600,000</b>	<b>\$1,000,000</b>	<b>\$600,000</b>	<b>\$1,000,000</b>
<b>Business-Type Activities:</b>				
Bond Anticipation Notes Payable:				
Municipal Water System, 4.12%	\$600,000	\$0	\$600,000	\$0
Municipal Water System, 3.94%	0	300,000	0	300,000
<b>Business-Type Activities Notes Payable</b>	<b>\$600,000</b>	<b>\$300,000</b>	<b>\$600,000</b>	<b>\$300,000</b>

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

During 2007, the City paid \$200,000 of the outstanding \$600,000 Street Improvement bond anticipation note and reissued \$400,000. The City also issued a new \$600,000 fire truck acquisition bond anticipation note during 2007. On March 12, 2008, the City paid \$200,000 against the new \$600,000 and refinanced the remaining \$400,000. Therefore, the \$1,000,000 liability outstanding at December 31, 2007 will be split with \$600,000 presented as a long-term liability and \$400,000 presented as a fund liability in the financial statements.

**NOTE 9 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2007, was as follows:

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

Purpose	Balance 1/1/2007	Additions	Deletions	Balance 12/31/2007	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds Payable:					
Various Purpose G.O. Refunding Bonds, \$2,125,000, 3.31%, 2003 - 2012	\$1,195,000	\$ 0	(\$240,000)	\$955,000	\$250,000
Issuance Premium on Bonds	10,402	0	(2,080)	8,322	0
Police & Fire Pension Bonds, \$575,000, 3.75-5.625%, 1999 - 2024	465,000	0	(15,000)	450,000	15,000

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

OPWC Term Loan Payable, \$126,126, 0.00%, 2005 - 2014	100,900	0	(12,613)	88,287	12,613
Other Long-Term Obligations:					
Compensated Absences	2,183,113	1,026,617	(867,646)	2,342,084	896,506
Capital Leases	162,223	71,885	(92,610)	141,498	49,255
Landfill Post-Closure Care	688,728	0	(74,448)	614,280	45,876
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Governmental Activities Long-Term Obligations	<u>\$4,805,366</u>	<u>\$1,098,502</u>	<u>(\$1,304,397)</u>	<u>\$4,599,471</u>	<u>\$1,269,250</u>

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

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

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

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

<u>Purpose</u>	<u>Balance 1/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2007</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities:</b>					
Revenue Bonds Payable:					
Municipal Water System Refunding \$11,350,000, 5.22%, 2003 - 2014	\$8,625,000	\$ 0	(\$965,000)	\$7,660,000	\$985,000
Issuance Premium on Bonds	181,166	0	(25,881)	155,285	0
Municipal Sewer System, \$3,010,000, 2.75-5.10%, 1993 - 2008	520,000	0	(255,000)	265,000	265,000
General Obligation Bonds Payable:					
\$2,095,000, Sewer Bonds, 3.31%, 2003-2023	1,855,000	0	(85,000)	1,770,000	85,000
Compensated Absences	642,178	141,292	(85,494)	697,976	268,415
Capital Leases	0	9,243	(1,881)	7,362	2,079
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Business-Type Activities Long-Term Obligations	<u>\$11,823,344</u>	<u>\$150,535</u>	<u>(\$1,418,256)</u>	<u>\$10,555,623</u>	<u>\$1,605,494</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, 2007 are as follows:

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**Business-Type Activities**

Restricted Assets Held by the City For:	
Water System Replacement and Improvement	\$1,200,000
Sewer System Replacement and Improvement	618,467
Restricted Assets Held by the Trustee for:	
Water System Bond Debt Service	1,578,632
Sewer System Bond Debt Service	324,199

**Business-Type Activities Restricted Assets** \$3,721,298

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

Debt service requirements are as follows:

For year Ended Dec 31	General Obligation Bonds Various		Police & Fire Pension Bonds Bonds	
	Principal	Interest	Principal	Interest
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	22,964
2011	190,000	8,025	20,000	21,964
2012	75,000	2,325	20,000	20,944
2013 - 2017	0	0	120,000	86,841
2018 - 2022	0	0	160,000	48,936
2023 - 2024	0	0	75,000	6,469
	<u>\$955,000</u>	<u>\$68,510</u>	<u>\$450,000</u>	<u>\$256,726</u>

For Year Ended Dec 31	Water Revenue Bonds		Sewer Revenue Bonds		Sewer G. O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,095,000	184,418	0	0	95,000	55,810
2012	1,130,000	147,188	0	0	95,000	52,960
2013 - 2017	2,390,000	165,562	0	0	530,000	215,875
2018 - 2022	0	0	0	0	645,000	110,827
2023 - 2024	0	0	0	0	145,000	6,090
	<u>\$7,660,000</u>	<u>\$1,281,353</u>	<u>\$265,000</u>	<u>\$13,515</u>	<u>\$1,770,000</u>	<u>\$622,545</u>

For Year Ended Dec 31	OPWC Loan Payable Principal Only
2008	\$12,613
2009	12,613
2010	12,612
2011	12,612
2012	12,612
2013 - 2014	25,225
	<u>\$88,287</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**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 \$337,942 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2007 were \$53,892 in the governmental funds.

The City's future minimum lease payments and present value of net minimum lease payments required under these capital lease obligations as of December 31, 2006 are as follows:

Year Ended December 31,	Capital Lease Payments	
	Governmental Activities	Business-Type Activities
2008	\$58,503	\$2,723
2009	42,401	2,723
2010	35,159	2,723
2011	17,734	454
2012	7,632	0
Total Future Minimum Lease Payments	161,429	8,623
Less: Amount Representing Interest	(19,931)	(1,261)
Present Value of Net Minimum Lease Payments	<u>\$141,498</u>	<u>\$7,362</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.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

**Funding Policy:** The Ohio Revised Code provides statutory authority for member and employer contribution rates. For 2007, 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 9.5% of their annual covered salary.

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 9.75%. The employer contribution rate for pension benefits for 2007 was 8.85% for January 1 through June 30, 2007 and 7.85% for July 1 through December 31, 2007, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contribution was 13.85% of covered payroll. The City's required contributions to OPERS for the years ending December 31, 2007, 2006, and 2005 were \$598,518, \$635,804, and \$637,484, respectively; 92.75% has been contributed for 2007, 100% for years 2006 and 2005. Of the 2007 amount, \$43,390 was unpaid at December 31, 2007 and is recorded as a fund liability in the basic financial statements.

**Postemployment Benefits:** The OPERS also provides postretirement health care benefits to age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 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 13.85% of covered payroll; 5.0% was the portion used to fund health care from January 1 through June 30, 2007 and 6.0% from July 1 through December 31, 2007. The 2007 employer rate was 17.17% and 5.0% was used to fund health care for both the law enforcement and public safety divisions from January 1 through June 30, 2007 and 6.0% from July 1 through December 31, 2007.

Of the employer contributions made by the City for the year 2007, \$394,233 was the amount used to fund postemployment health care. The actual contribution and the actuarially required contribution amounts are the same.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2006. 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 2006 was 6.5%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.50% to 6.30%.

Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 5% 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, 2007, the number of active contributing participants was 374,979. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2006 was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was \$362,130.

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

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

***Plan Description:*** The City of Chillicothe contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides 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.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

**Funding Policy:** Plan members are required to contribute 10.0% of their annual covered salary to fund pension benefits, while the City is required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for the years ending December 31, 2007, 2006 and 2005 were \$761,472, \$629,462, and \$599,006, respectively; 73.0% has been contributed for 2007 and 100% for years 2006 and 2005. Of the 2007 amount \$200,815 was unpaid at December 31, 2007 and is recorded as a fund liability in the basic financial statements.

**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, 6.75% was applied to the postemployment health care program.

Of the employer contributions made by the City for the year 2007, \$341,728 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 2006 and 6.75% in 2007. 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, 2006, the latest information available, the number of participants eligible to receive health care benefits was 14,120 for police officers and 10,563 for firefighters. OP&F's total health care expenses for the year ended December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

**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.



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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

**NOTE 13 - PROPERTY TAXES**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value by property classification upon which the 2007 tax levy was based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$361,865,550
Tangible Personal Property	38,150,840
Public Utility Property	<u>18,246,050</u>
Total	<u><u>\$418,262,440</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 2007, real property taxes were levied on January 1, 2007, on assessed values as of January 1, 2006, the lien date. Real estate taxes were due and payable on February 9 and July 8, 2007. Personal property taxes were due and payable on May 10 and September 20, 2007, on assessed values as of the lien date, December 31, 2006.

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

The County Treasurer collects property taxes on behalf of all taxing districts within the City. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Accrued property taxes receivable represent current taxes which were levied, measurable and unpaid, as well as, delinquent taxes outstanding as of December 31, 2007.

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

**NOTE 14 - MUNICIPAL INCOME TAXES**

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

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

As of December 31, 2007 there were \$374,383 in delinquent income taxes for which collection is uncertain, therefore these taxes are not accrued. In 2007, these municipal income taxes generated a combined total of \$10,404,969 in local tax revenue.

**NOTE 15 - INTERFUND ACTIVITY**

As of December 31, 2007, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
	_____	_____
<b>Governmental Activities</b>		
General Fund	\$63,615	\$0
Bus Transit Fund	500	21,205
<i>Nonmajor Special Revenue Funds:</i>		
Street Construction Maintenance and Repair	0	500
Income Tax	163,000	0
Parks and Recreation	0	21,205
Total Nonmajor Special Revenue Funds	163,000	21,705
<i>Nonmajor Capital Projects Funds:</i>		
Safety Levy Capital	0	21,205
Parks and Recreation Capital	0	163,000
Total Nonmajor Capital Projects Funds	0	184,205
Total	<u>\$227,115</u>	<u>\$227,115</u>

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

**FOR THE YEAR ENDED DECEMBER 31, 2007**

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 2007 are as follows:

**Transfers In**

<b>Transfers Out</b>	General	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Sewer	Total
General	\$0	\$1,730,000	\$50,000	\$76,000	\$30,000	\$1,886,000
Bus Transit Fund	30,644	0	0	0	0	30,644
Nonmajor Special Revenue	33,061	9,918	0	42,000	0	84,979
Nonmajor Capital Projects	60,887	0	0	195,000	0	255,887
Water	5,839	0	0	0	0	5,839
Sewer	5,955	0	0	0	0	5,955
	<u>\$136,386</u>	<u>\$1,739,918</u>	<u>\$50,000</u>	<u>\$313,000</u>	<u>\$30,000</u>	<u>\$2,269,304</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, 2007, the City made transfers of \$1,730,000 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.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

In 2007, the City incurred \$50,495 in post closure care costs and decreased its postclosure care liability by \$74,448, which is a change in estimate. To this date, the City has incurred approximately \$2,019,763 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

The City has accrued a liability for landfill post-closure care costs of \$614,280. The liability is based on an average of cumulative postclosure care costs to this date projected over the next fourteen 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 fourteen 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 \$31,856,900. Other property insurance includes \$55,224 unscheduled and \$1,197,334 scheduled for contractor's equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$31,856,900. Insurance deductibles on any of the above coverages do not exceed \$50,000.

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

The City has also established a limited risk health and dental program for employees. Claims are paid directly to United Healthcare, 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.

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

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**FOR THE YEAR ENDED DECEMBER 31, 2007**

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. During 2007, the City made no payments for run-out claims so therefore there was no liability recorded.

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.

**NOTE 20 - SUBSEQUENT EVENTS**

On March 12, 2008, the City issued a \$400,000 general obligation bond anticipation note for the purpose of purchasing a new fire truck. This note bears an interest rate of 2.90%.

## **CITY OF CHILLICOTHE, OHIO**

### **GOVERNMENTAL FUNDS**

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

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

##### **Street Construction Fund**

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

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

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

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

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

##### **HUD Fund**

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

##### **Grants Fund**

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

##### **Floodwall Fund**

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

##### **Cablevision Fund**

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

##### **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.

## **CITY OF CHILLICOTHE, OHIO**

### **Law Enforcement Fund**

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

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

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

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

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

### **Mandatory Drug Fines Fund**

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

### **Parking Fund**

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

### **Police Pension Fund**

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

### **Fire Pension Fund**

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



## **CITY OF CHILLICOTHE, OHIO**

### **NONMAJOR BOND RETIREMENT FUND**

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

### **NONMAJOR CAPITAL PROJECTS FUNDS**

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

#### **Capital Improvement Fund**

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

#### **Issue II Fund**

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

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

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

#### **Landfill Closure Fund**

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

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

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

#### **Streetscape Fund**

To account for streetscape maintenance expenses.

## **CITY OF CHILLICOTHE, OHIO**

### **NONMAJOR PERMANENT FUND**

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

#### **Carlisle Hill Fund**

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

City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Governmental Funds

December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$2,037,842	\$15,950	\$844,622	\$2,107	\$2,900,521
Cash and Cash Equivalents in Segregated Accounts	4,888	0	0	0	4,888
Investment in City Treasury	0	0	0	1,000	1,000
Materials and Supplies Inventory	9,549	0	0	0	9,549
Accounts Receivable	1,572	0	0	0	1,572
Interfund Receivable	163,000	0	0	0	163,000
Intergovernmental Receivable	1,196,622	0	200,230	0	1,396,852
Income Tax Receivable	46,424	0	96,859	0	143,283
Property Tax Receivable	252,282	0	0	0	252,282
Prepaid Items	4,144	0	2,563	0	6,707
<b>Total Assets</b>	<b>\$3,716,323</b>	<b>\$15,950</b>	<b>\$1,144,274</b>	<b>\$3,107</b>	<b>4,879,654</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$19,724	\$0	\$5,067	\$0	\$24,791
Contracts Payable	8,451	0	200,230	0	208,681
Accrued Wages Payable	20,802	0	0	0	20,802
Accrued Interest Payable	7,355	0	5,129	0	12,484
Intergovernmental Payable	366,760	0	0	0	366,760
Interfund Payable	21,705	0	184,205	0	205,910
Notes Payable	200,000	0	400,000	0	600,000
Deferred Revenue	1,047,058	0	0	0	1,047,058
<b>Total Liabilities</b>	<b>1,691,855</b>	<b>0</b>	<b>794,631</b>	<b>0</b>	<b>2,486,486</b>
<b>Fund Balances</b>					
Reserved for Permanent Fund	0	0	0	1,000	1,000
Reserved for Encumbrances	129,788	0	18,891	0	148,679
Reserved for Prepaid Items	4,144	0	2,563	0	6,707
Unreserved	1,890,536	15,950	328,189	2,107	2,236,782
<b>Total Fund Balances</b>	<b>2,024,468</b>	<b>15,950</b>	<b>349,643</b>	<b>3,107</b>	<b>2,393,168</b>
	<b>\$3,716,323</b>	<b>\$15,950</b>	<b>\$1,144,274</b>	<b>\$3,107</b>	<b>\$4,879,654</b>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property Taxes	\$255,256	\$0	\$0	\$0	\$255,256
Municipal Income Taxes	896,164	0	816,080	0	1,712,244
Charges for Services	92,668	0	0	0	92,668
Fines, Licenses and Permits	43,104	0	0	0	43,104
Intergovernmental	1,705,535	0	200,230	0	1,905,765
Investment Earnings	222	0	0	40	262
Miscellaneous	54,026	0	89,505	0	143,531
<b>Total Revenue</b>	<b>3,046,975</b>	<b>0</b>	<b>1,105,815</b>	<b>40</b>	<b>4,152,830</b>
<b>Expenditures</b>					
<i>Current:</i>					
General Government	339,284	0	0	0	339,284
<i>Security of Persons and Property:</i>					
Police	489,327	0	0	0	489,327
Fire	614,842	0	0	0	614,842
Transportation	1,500,896	0	0	0	1,500,896
Community Environment	489,561	0	0	0	489,561
Leisure Time Activities	781,657	0	0	0	781,657
Capital Outlay	0	0	1,599,605	0	1,599,605
<i>Debt Service:</i>					
Principal Retirement	414,545	255,000	200,000	0	869,545
Interest and Fiscal Charges	21,570	55,135	5,129	0	81,834
<b>Total Expenditures</b>	<b>4,651,682</b>	<b>310,135</b>	<b>1,804,734</b>	<b>0</b>	<b>6,766,551</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,604,707)</b>	<b>(310,135)</b>	<b>(698,919)</b>	<b>40</b>	<b>(2,613,721)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	4,600	0	0	0	4,600
Issuance of Notes	200,000	0	400,000	0	600,000
Transfers-In	1,739,918	313,000	50,000	0	2,102,918
Transfers-Out	(84,980)	0	(255,886)	0	(340,866)
<b>Total Other Sources (Uses)</b>	<b>1,859,538</b>	<b>313,000</b>	<b>194,114</b>	<b>0</b>	<b>2,366,652</b>
<b>Net Change in Fund Balances</b>	<b>254,831</b>	<b>2,865</b>	<b>(504,805)</b>	<b>40</b>	<b>(247,069)</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,769,637</b>	<b>13,085</b>	<b>854,448</b>	<b>3,067</b>	<b>2,640,237</b>
<b>Fund Balances at End of Year</b>	<b>\$2,024,468</b>	<b>\$15,950</b>	<b>\$349,643</b>	<b>\$3,107</b>	<b>\$2,393,168</b>

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City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Special Revenue Funds

December 31, 2007

	<u>Street Construction</u>	<u>State Highway</u>	<u>Parks &amp; Recreation</u>	<u>HUD</u>	<u>Grants</u>
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$255,337	\$27,888	\$178,873	\$101,537	\$45,086
Cash and Cash Equivalents in					
Segregated Accounts	0	0	0	3,988	0
Materials and Supplies Inventory	9,549	0	0	0	0
Accounts Receivable	1,572	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	477,237	38,695	0	250,432	416,192
Income Taxes Receivable	0	0	46,424	0	0
Property Taxes Receivable	0	0	0	0	0
Prepaid Items	42	0	2,800	0	0
Total Assets	<u>\$743,737</u>	<u>\$66,583</u>	<u>\$228,097</u>	<u>\$355,957</u>	<u>\$461,278</u>
<b>Liabilities</b>					
Accounts Payable	\$8,929	\$0	\$10,795	\$0	\$0
Contracts Payable	8,451	0	0	0	0
Accrued Wages Payable	12,353	0	6,783	0	0
Accrued Interest Payable	7,355	0	0	0	0
Intergovernmental Payable	41,242	5,913	25,154	0	0
Interfund Payable	500	0	21,205	0	0
Deferred Revenue	318,158	25,797	0	155,220	281,535
Notes Payable	200,000	0	0	0	0
Total Liabilities	<u>596,988</u>	<u>31,710</u>	<u>63,937</u>	<u>155,220</u>	<u>281,535</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	38,039	0	0	89,200	0
Reserved for Prepaid Items	42	0	2,800	0	0
Unreserved	108,668	34,873	161,360	111,537	179,743
Total Fund Balances	<u>146,749</u>	<u>34,873</u>	<u>164,160</u>	<u>200,737</u>	<u>179,743</u>
Total Liabilities and Fund Balances	<u>\$743,737</u>	<u>\$66,583</u>	<u>\$228,097</u>	<u>\$355,957</u>	<u>\$461,278</u>

<u>Floodwall</u>	<u>Cablevision</u>	<u>Income Tax</u>	<u>Law Enforcement</u>	<u>Indigent Driver's Alcohol Treatment</u>	<u>OMVI Enforcement &amp; Education</u>	<u>Mandatory Drug Fines</u>
\$50,058	\$5,765	\$959,894	\$112,272	\$193,848	\$7,409	\$46,576
0	0	0	0	441	166	293
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	163,000	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
1,302	0	0	0	0	0	0
<u>\$51,360</u>	<u>\$5,765</u>	<u>\$1,122,894</u>	<u>\$112,272</u>	<u>\$194,289</u>	<u>\$7,575</u>	<u>\$46,869</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,302	0	0	0	0	0	0
50,058	5,765	1,122,894	112,272	194,289	7,575	46,869
<u>51,360</u>	<u>5,765</u>	<u>1,122,894</u>	<u>112,272</u>	<u>194,289</u>	<u>7,575</u>	<u>46,869</u>
<u>\$51,360</u>	<u>\$5,765</u>	<u>\$1,122,894</u>	<u>\$112,272</u>	<u>\$194,289</u>	<u>\$7,575</u>	<u>\$46,869</u>

continued

City of Chillicothe, Ohio

Combining Balance Sheet  
 Nonmajor Special Revenue Funds

December 31, 2007

	<u>Parking</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets</b>				
Equity in Pooled Cash & Cash Equivalents	\$51,000	\$1,105	\$1,194	\$2,037,842
Cash and Cash Equivalents in				
Segregated Accounts	0	0	0	4,888
Materials and Supplies Inventory	0	0	0	9,549
Accounts Receivable	0	0	0	1,572
Interfund Receivable	0	0	0	163,000
Intergovernmental Receivable	0	7,033	7,033	1,196,622
Income Taxes Receivable	0	0	0	46,424
Property Taxes Receivable	0	126,141	126,141	252,282
Prepaid Items	0	0	0	4,144
	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,144</u>
Total Assets	<u>\$51,000</u>	<u>\$134,279</u>	<u>\$134,368</u>	<u>\$3,716,323</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$19,724
Contracts Payable	0	0	0	8,451
Accrued Wages Payable	1,666	0	0	20,802
Accrued Interest Payable	0	0	0	7,355
Intergovernmental Payable	5,565	134,026	154,860	366,760
Interfund Payable	0	0	0	21,705
Deferred Revenue	0	133,174	133,174	1,047,058
Notes Payable	0	0	0	200,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
Total Liabilities	<u>7,231</u>	<u>267,200</u>	<u>288,034</u>	<u>1,691,855</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	2,549	0	0	129,788
Reserved for Prepaid Items	0	0	0	4,144
Unreserved	41,220	(132,921)	(153,666)	1,890,536
	<u>41,220</u>	<u>(132,921)</u>	<u>(153,666)</u>	<u>1,890,536</u>
Total Fund Balances	<u>43,769</u>	<u>(132,921)</u>	<u>(153,666)</u>	<u>2,024,468</u>
Total Liabilities and Fund Balances	<u>\$51,000</u>	<u>\$134,279</u>	<u>\$134,368</u>	<u>\$3,716,323</u>



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City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Street Construction	State Highway	Parks & Recreation	HUD	Grants
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	493,103	0	0
Charges for Services	0	0	37,755	0	0
Fines, Licenses and Permits	0	0	0	0	0
Intergovernmental	908,574	54,473	0	533,176	175,804
Investment Earnings	0	0	0	222	0
Miscellaneous	11,830	700	6,622	30,864	0
Total Revenue	<u>920,404</u>	<u>55,173</u>	<u>537,480</u>	<u>564,262</u>	<u>175,804</u>
<b>Expenditures</b>					
<i>Current:</i>					
General Government	0	0	0	0	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Transportation	1,203,878	160,883	0	0	0
Community Environment	0	0	0	427,547	2,306
Leisure Time Activities	0	0	781,657	0	0
<i>Debt Service:</i>					
Principal Retirement	412,613	0	1,932	0	0
Interest and Fiscal Charges	20,958	0	612	0	0
Total Expenditures	<u>1,637,449</u>	<u>160,883</u>	<u>784,201</u>	<u>427,547</u>	<u>2,306</u>
Excess of Revenues Over (Under) Expenditures	<u>(717,045)</u>	<u>(105,710)</u>	<u>(246,721)</u>	<u>136,715</u>	<u>173,498</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	0	0	4,600	0	0
Issuance of Notes	200,000	0	0	0	0
Transfers-In	200,000	75,000	134,918	0	0
Transfers-Out	0	0	(638)	0	(32,005)
Total Other Sources (Uses)	<u>400,000</u>	<u>75,000</u>	<u>138,880</u>	<u>0</u>	<u>(32,005)</u>
Net Change in Fund Balances	(317,045)	(30,710)	(107,841)	136,715	141,493
Fund Balances at Beginning of Year	<u>463,794</u>	<u>65,583</u>	<u>272,001</u>	<u>64,022</u>	<u>38,250</u>
Fund Balances at End of Year	<u><u>\$146,749</u></u>	<u><u>\$34,873</u></u>	<u><u>\$164,160</u></u>	<u><u>\$200,737</u></u>	<u><u>\$179,743</u></u>

Floodwall	Cablevision	Income Tax	Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	403,061	0	0	0	0
0	0	0	0	0	0	0
0	0	0	20,226	16,516	2,278	4,084
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>403,061</u>	<u>20,226</u>	<u>16,516</u>	<u>2,278</u>	<u>4,084</u>
0	0	339,284	0	0	0	0
0	0	0	3,254	0	5,000	5,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
59,708	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>59,708</u>	<u>0</u>	<u>339,284</u>	<u>3,254</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
<u>(59,708)</u>	<u>0</u>	<u>63,777</u>	<u>16,972</u>	<u>16,516</u>	<u>(2,722)</u>	<u>(916)</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
95,000	0	375,000	0	0	0	0
<u>(9,918)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>85,082</u>	<u>0</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
25,374	0	438,777	16,972	16,516	(2,722)	(916)
<u>25,986</u>	<u>5,765</u>	<u>684,117</u>	<u>95,300</u>	<u>177,773</u>	<u>10,297</u>	<u>47,785</u>
<u>\$51,360</u>	<u>\$5,765</u>	<u>\$1,122,894</u>	<u>\$112,272</u>	<u>\$194,289</u>	<u>\$7,575</u>	<u>\$46,869</u>

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, 2007

	Parking	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Property Taxes	\$0	\$127,628	\$127,628	\$255,256
Municipal Income Taxes	0	0	0	896,164
Charges for Services	0	0	0	37,755
Fines, Licenses and Permits	54,913	0	0	98,017
Intergovernmental	0	16,754	16,754	1,705,535
Investment Earnings	0	0	0	222
Miscellaneous	4,010	0	0	54,026
<b>Total Revenue</b>	<b>58,923</b>	<b>144,382</b>	<b>144,382</b>	<b>3,046,975</b>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	0	0	0	339,284
<i>Security of Persons and Property:</i>				
Police	0	476,073	0	489,327
Fire	0	0	614,842	614,842
Transportation	136,135	0	0	1,500,896
Community Environment	0	0	0	489,561
Leisure Time Activities	0	0	0	781,657
<i>Debt Service:</i>				
Principal Retirement	0	0	0	414,545
Interest and Fiscal Charges	0	0	0	21,570
<b>Total Expenditures</b>	<b>136,135</b>	<b>476,073</b>	<b>614,842</b>	<b>4,651,682</b>
Excess of Revenues Over (Under) Expenditures	(77,212)	(331,691)	(470,460)	(1,604,707)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets		0	0	4,600
Issuance of Notes	0	0	0	200,000
Transfers-In	50,000	325,000	485,000	1,739,918
Transfers-Out	(419)	(10,000)	(32,000)	(84,980)
<b>Total Other Sources (Uses)</b>	<b>49,581</b>	<b>315,000</b>	<b>453,000</b>	<b>1,859,538</b>
Net Change in Fund Balances	(27,631)	(16,691)	(17,460)	254,831
Fund Balances at Beginning of Year	71,400	(116,230)	(136,206)	1,769,637
<b>Fund Balances at End of Year</b>	<b>\$43,769</b>	<b>(\$132,921)</b>	<b>(\$153,666)</b>	<b>\$2,024,468</b>

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City of Chillicothe, Ohio

Combining Balance Sheet  
Nonmajor Capital Projects Funds

December 31, 2007

	<u>Capital Improvement</u>	<u>Issue II</u>	<u>Safety Levy Capital</u>
<b>Assets</b>			
Equity in Pooled Cash & Cash Equivalents	\$32,000	\$0	\$392,804
Intergovernmental Receivable	0	200,230	0
Income Tax Receivable	0	0	71,641
Prepaid Items	<u>0</u>	<u>0</u>	<u>2,563</u>
Total Assets	<u><u>\$32,000</u></u>	<u><u>\$200,230</u></u>	<u><u>\$467,008</u></u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	200,230	0
Accrued Interest Payable	0	0	5,129
Interfund Payable	0	0	21,205
Notes Payable	<u>0</u>	<u>0</u>	<u>400,000</u>
Total Liabilities	<u>0</u>	<u>200,230</u>	<u>426,334</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	0	6,865
Reserved for Prepaid Items	0	0	2,563
Unreserved	<u>32,000</u>	<u>0</u>	<u>31,246</u>
Total Fund Balances	<u>32,000</u>	<u>0</u>	<u>40,674</u>
Total Liabilities and Fund Balances	<u><u>\$32,000</u></u>	<u><u>\$200,230</u></u>	<u><u>\$467,008</u></u>

<u>Landfill Closure</u>	<u>Parks &amp; Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$30,629	\$360,067	\$29,122	\$844,622
0	0	0	200,230
0	25,218	0	96,859
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,563</u>
<u>\$30,629</u>	<u>\$385,285</u>	<u>\$29,122</u>	<u>\$1,144,274</u>
\$5,067	\$0	\$0	\$5,067
0	0	0	200,230
0	0	0	5,129
0	163,000	0	184,205
<u>0</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
<u>5,067</u>	<u>163,000</u>	<u>0</u>	<u>794,631</u>
4,190	0	7,836	18,891
0	0	0	2,563
<u>21,372</u>	<u>222,285</u>	<u>21,286</u>	<u>328,189</u>
<u>25,562</u>	<u>222,285</u>	<u>29,122</u>	<u>349,643</u>
<u>\$30,629</u>	<u>\$385,285</u>	<u>\$29,122</u>	<u>\$1,144,274</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, 2007

	Capital Improvement	Issue II	Safety Levy Capital
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$654,591
Intergovernmental	0	200,230	0
Miscellaneous	0	0	1,601
Total Revenue	<u>0</u>	<u>200,230</u>	<u>656,192</u>
<b>Expenditures</b>			
Capital Outlay	0	200,230	1,259,805
<i>Debt Service:</i>			
Principal Retirement	0	0	200,000
Interest and Fiscal Charges	0	0	5,129
Total Expenditures	<u>0</u>	<u>200,230</u>	<u>1,464,934</u>
Excess of Revenues Over (Under) Expenditures	0	0	(808,742)
<b>Other Financing Sources (Uses)</b>			
Issuance of Notes	0	0	400,000
Transfers-In	0	0	0
Transfers-Out	0	0	(225,443)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>174,557</u>
Net Change in Fund Balances	0	0	(634,185)
Fund Balances at Beginning of Year	<u>32,000</u>	<u>0</u>	<u>674,859</u>
Fund Balances at End of Year	<u><u>\$32,000</u></u>	<u><u>\$0</u></u>	<u><u>\$40,674</u></u>



<u>Landfill Closure</u>	<u>Parks &amp; Recreation Capital</u>	<u>Streetscape</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$161,489	\$0	\$816,080
0	0	0	200,230
0	87,904	0	89,505
0	249,393	0	1,105,815
54,642	84,928	0	1,599,605
0	0	0	200,000
0	0	0	5,129
54,642	84,928	0	1,804,734
(54,642)	164,465	0	(698,919)
0	0	0	400,000
50,000	0	0	50,000
0	(30,443)	0	(255,886)
50,000	(30,443)	0	194,114
(4,642)	134,022	0	(504,805)
30,204	88,263	29,122	854,448
<u>\$25,562</u>	<u>\$222,285</u>	<u>\$29,122</u>	<u>\$349,643</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$9,169,619	\$9,169,619	\$9,477,097	\$307,478
Charges for Services	2,776,900	2,949,800	3,049,599	99,799
Fines, Licenses and Permits	1,366,000	1,396,000	1,505,142	109,142
Intergovernmental	1,580,889	1,660,716	1,790,564	129,848
Special Assessments	0	0	19,934	19,934
Investment Earnings	400,000	600,000	656,349	56,349
Miscellaneous	251,786	251,786	341,935	90,149
<b>Total Revenue</b>	<b>15,545,194</b>	<b>16,027,921</b>	<b>16,840,620</b>	<b>812,699</b>
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	267,500	267,659	262,239	5,420
Fringe Benefits	145,100	144,941	140,135	4,806
Travel Transportation	3,300	5,668	2,952	2,716
Materials and Supplies	60,225	61,137	44,919	16,218
Contractual Services	6,900	6,120	5,937	183
Capital Outlay	15,000	15,000	15,000	0
Other	8,875	7,875	7,469	406
<b>Total Mayor</b>	<b>506,900</b>	<b>508,400</b>	<b>478,651</b>	<b>29,749</b>
City Council				
Personal Services	58,200	58,200	58,147	53
Fringe Benefits	110,350	122,956	122,218	738
Travel Transportation	600	600	0	600
Materials and Supplies	600	596	0	596
Other	100	99	0	99
<b>Total City Council</b>	<b>169,850</b>	<b>182,451</b>	<b>180,365</b>	<b>2,086</b>
Treasurer				
Personal Services	40,000	40,036	38,226	1,810
Fringe Benefits	44,800	47,764	46,935	829
Materials and Supplies	2,400	2,400	1,389	1,011
Contractual Services	2,850	2,850	544	2,306
Other	300	300	265	35
<b>Total Treasurer</b>	<b>90,350</b>	<b>93,350</b>	<b>87,359</b>	<b>5,991</b>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Income Tax Department</b>				
Personal Services	116,600	118,037	116,160	1,877
Fringe Benefits	84,071	82,634	81,064	1,570
Travel Transportation	200	200	0	200
Materials and Supplies	13,150	11,615	9,379	2,236
Contractual Services	5,000	5,000	4,335	665
Other	700	400	21	379
<b>Total Income Tax Department</b>	<b>219,721</b>	<b>217,886</b>	<b>210,959</b>	<b>6,927</b>
<b>Land and Buildings</b>				
Materials and Supplies	148,300	166,027	147,860	18,167
Contractual Services	43,950	41,326	41,055	271
Capital Outlay	52,000	96,625	72,828	23,797
Other	525	421	421	0
<b>Total Land and Buildings</b>	<b>244,775</b>	<b>304,399</b>	<b>262,164</b>	<b>42,235</b>
<b>Law Director</b>				
Personal Services	358,900	344,798	336,083	8,715
Fringe Benefits	218,900	233,002	227,994	5,008
Travel Transportation	1,150	850	587	263
Materials and Supplies	35,675	36,935	35,376	1,559
Contractual Services	1,800	2,050	1,620	430
Capital Outlay	775	3,275	3,012	263
Other	2,750	83,402	83,182	220
<b>Total Law Director</b>	<b>619,950</b>	<b>704,312</b>	<b>687,854</b>	<b>16,458</b>
<b>Auditor</b>				
Personal Services	293,624	304,780	302,860	1,920
Fringe Benefits	149,600	156,133	154,614	1,519
Travel Transportation	4,500	4,500	2,894	1,606
Materials and Supplies	13,354	13,604	10,470	3,134
Other	3,250	3,000	1,807	1,193
<b>Total Auditor</b>	<b>464,328</b>	<b>482,017</b>	<b>472,645</b>	<b>9,372</b>
<b>Municipal Court</b>				
Personal Services	1,021,235	1,032,985	961,555	71,430
Fringe Benefits	511,038	538,007	512,896	25,111
Travel Transportation	5,325	5,325	2,469	2,856
Materials and Supplies	76,735	78,298	61,957	16,341
Contractual Services	16,850	16,850	13,840	3,010
Capital Outlay	190,416	192,276	60,824	131,452
Other	9,955	8,729	4,966	3,763
<b>Total Municipal Court</b>	<b>1,831,554</b>	<b>1,872,470</b>	<b>1,618,507</b>	<b>253,963</b>

continued

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service				
Personal Services	41,690	42,694	42,458	236
Fringe Benefits	22,742	24,263	24,053	210
Travel Transportation	1,800	1,464	1,454	10
Materials and Supplies	19,000	22,086	20,708	1,378
Contractual Services	1,000	648	429	219
Other	2,600	145	145	0
Total Civil Service	88,832	91,300	89,247	2,053
Service Department				
Personal Services	85,100	104,860	100,095	4,765
Fringe Benefits	45,484	51,059	49,459	1,600
Travel Transportation	200	0	0	0
Materials and Supplies	7,130	6,560	4,583	1,977
Contractual Services	1,000	2,020	1,849	171
Capital Outlay	2,130	2,130	2,125	5
Other	400	150	86	64
Total Service Department	141,444	166,779	158,197	8,582
Engineering				
Personal Services	301,400	298,510	297,861	649
Fringe Benefits	171,944	166,645	165,591	1,054
Travel Transportation	12,100	12,575	11,896	679
Materials and Supplies	35,479	34,454	26,052	8,402
Contractual Services	59,000	82,893	76,933	5,960
Capital Outlay	9,941	16,971	15,957	1,014
Other	7,059	8,516	6,320	2,196
Total Engineering	596,923	620,564	600,610	19,954
Postage and Stores				
Materials and Supplies	77,000	77,000	74,298	2,702
Total Postage and Stores	77,000	77,000	74,298	2,702
Miscellaneous				
Fringe Benefits	78,300	100,786	100,136	650
Materials and Supplies	554,400	534,621	426,329	108,292
Contractual Services	221,490	223,490	193,257	30,233
Capital Outlay	58,500	59,100	13,933	45,167
Other	43,000	47,200	40,887	6,313
Total Miscellaneous	955,690	965,197	774,542	190,655
Total General Government	6,007,317	6,286,125	5,695,398	590,727
Security of Persons and Property				
Police Department				
Personal Services	2,655,834	2,680,298	2,680,298	0
Fringe Benefits	1,014,249	1,101,689	1,101,689	0
Travel Transportation	2,500	3,500	3,156	344
Materials and Supplies	192,977	191,214	161,106	30,108
Contractual Services	369,500	429,650	403,693	25,957
Other	34,600	35,906	18,445	17,461
Total Police Department	4,269,660	4,442,257	4,368,387	73,870

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department				
Personal Services	2,698,600	2,674,852	2,622,088	52,764
Fringe Benefits	870,450	921,092	918,571	2,521
Travel Transportation	1,600	4,100	3,173	927
Materials and Supplies	241,914	273,086	220,432	52,654
Contractual Services	24,500	29,576	24,841	4,735
Other	54,400	52,452	49,497	2,955
Total Fire Department	<u>3,891,464</u>	<u>3,955,158</u>	<u>3,838,602</u>	<u>116,556</u>
Civil Defense				
Other	6,350	6,350	6,350	0
Total Civil Defense	<u>6,350</u>	<u>6,350</u>	<u>6,350</u>	<u>0</u>
Humane Officer				
Personal Services	4,000	4,000	3,921	79
Fringe Benefits	1,000	1,000	984	16
Contractual Services	4,000	4,000	4,000	0
Total Humane Officer	<u>9,000</u>	<u>9,000</u>	<u>8,905</u>	<u>95</u>
School Crossing Guards				
Personal Services	53,900	50,322	44,477	5,845
Fringe Benefits	13,050	13,050	10,974	2,076
Materials and Supplies	450	450	0	450
Total School Crossing Guards	<u>67,400</u>	<u>63,822</u>	<u>55,451</u>	<u>8,371</u>
Total Security of Persons and Property	<u>8,243,874</u>	<u>8,476,587</u>	<u>8,277,695</u>	<u>198,892</u>
Transportation				
Streets and Sidewalks				
Materials and Supplies	215,000	225,260	217,556	7,704
Total Streets and Sidewalks	<u>215,000</u>	<u>225,260</u>	<u>217,556</u>	<u>7,704</u>
Total Transportation	<u>215,000</u>	<u>225,260</u>	<u>217,556</u>	<u>7,704</u>
Community Environment				
Planning Commission				
Materials and Supplies	85	85	82	3
Total Planning Commission	<u>85</u>	<u>85</u>	<u>82</u>	<u>3</u>
Design and Review				
Materials and Supplies	200	200	0	200
Materials and Supplies	800	800	210	590
Total Design and Review	<u>1,000</u>	<u>1,000</u>	<u>210</u>	<u>790</u>
Total Community Environment	<u>1,085</u>	<u>1,085</u>	<u>292</u>	<u>793</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Refuse Department				
Personal Services	330,452	328,846	323,247	5,599
Fringe Benefits	203,000	204,606	199,405	5,201
Materials and Supplies	52,165	69,407	44,599	24,808
Contractual Services	375,000	375,000	365,047	9,953
Other	14,250	147,838	147,838	0
Total Refuse Department	974,867	1,125,697	1,080,136	45,561
Total Basic Utility Services	974,867	1,125,697	1,080,136	45,561
Leisure Time Activities				
Swimming Pool				
Personal Services	56,000	58,426	56,512	1,914
Fringe Benefits	9,712	10,286	10,286	0
Materials and Supplies	53,914	52,847	43,115	9,732
Contractual Services	3,195	5,247	3,843	1,404
Capital Outlay	1,442	1,442	1,299	143
Other	2,025	1,040	614	426
Total Swimming Pool	126,288	129,288	115,669	13,619
Total Leisure Time Activities	126,288	129,288	115,669	13,619
Total Expenditures	15,568,431	16,244,042	15,386,746	857,296
Excess of Revenues Over (Under) Expenditures	(23,237)	(216,121)	1,453,874	1,669,995
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	25,019	25,019
Transfers-In	167,000	167,000	136,386	(30,614)
Transfers-Out	(1,091,000)	(1,936,000)	(1,886,000)	50,000
Total Other Sources (Uses)	(924,000)	(1,769,000)	(1,724,595)	44,405
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(947,237)	(1,985,121)	(270,721)	1,714,400
Fund Balances at Beginning of Year	2,436,299	2,436,299	2,436,299	0
Prior Year Encumbrances Appropriated	108,815	108,815	108,815	0
Fund Balances at End of Year	<u>\$1,597,877</u>	<u>\$559,993</u>	<u>\$2,274,393</u>	<u>\$1,714,400</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$611,000	\$611,000	\$662,182	\$51,182
Charges for Services	74,000	74,000	157,413	83,413
Intergovernmental	4,192,451	4,192,451	2,058,213	(2,134,238)
Other	27,500	27,500	41,455	13,955
Total Revenue	<u>4,904,951</u>	<u>4,904,951</u>	<u>2,919,263</u>	<u>(1,985,688)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Bus Transit System				
Personal Services	1,014,050	1,054,739	973,822	80,917
Fringe Benefits	460,800	461,111	422,286	38,825
Travel Transportation	500	129	129	0
Materials and Supplies	304,510	341,358	298,786	42,572
Contractual Services	716,854	1,607,917	1,053,858	554,059
Capital Outlay	2,554,221	1,766,862	265,593	1,501,269
Other	214,728	226,416	215,106	11,310
Total Transportation	<u>5,265,663</u>	<u>5,458,532</u>	<u>3,229,580</u>	<u>2,228,952</u>
Total Expenditures	<u>5,265,663</u>	<u>5,458,532</u>	<u>3,229,580</u>	<u>2,228,952</u>
Excess of Revenues (Under) Expenditures	(360,712)	(553,581)	(310,317)	243,264
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	108	108
Transfers-Out	(32,300)	(30,743)	(30,643)	100
Total Other Sources (Uses)	<u>(32,300)</u>	<u>(30,743)</u>	<u>(30,535)</u>	<u>208</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(393,012)	(584,324)	(340,852)	243,472
Fund Balances at Beginning of Year	(345,805)	(345,805)	(345,805)	0
Prior Year Encumbrances Appropriated	<u>937,740</u>	<u>937,740</u>	<u>937,740</u>	<u>0</u>
Fund Balances at End of Year	<u>\$198,923</u>	<u>\$7,611</u>	<u>\$251,083</u>	<u>\$243,472</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$910,000	\$910,000	\$988,693	\$78,693
Miscellaneous	6,000	6,000	10,258	4,258
Total Revenue	<u>916,000</u>	<u>916,000</u>	<u>998,951</u>	<u>82,951</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Street Maintenance & Repair				
Personal Services	559,900	586,322	576,816	9,506
Fringe Benefits	302,260	318,178	304,967	13,211
Travel Transportation	100	100	18	82
Materials and Supplies	226,475	305,160	246,348	58,812
Contractual Services	29,500	34,725	30,339	4,386
Capital Outlay	61,816	81,116	69,443	11,673
Other	11,450	3,915	2,663	1,252
Debt Service	238,113	639,538	639,538	0
Total Transportation	<u>1,429,614</u>	<u>1,969,054</u>	<u>1,870,132</u>	<u>98,922</u>
Total Expenditures	<u>1,429,614</u>	<u>1,969,054</u>	<u>1,870,132</u>	<u>98,922</u>
Excess of Revenues (Under) Expenditures	(513,614)	(1,053,054)	(871,181)	181,873
<b>Other Financing Sources (Uses)</b>				
Issuance of Notes	0	400,000	400,000	0
Transfers-In	200,000	200,000	200,000	0
Total Other Sources (Uses)	<u>200,000</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Excess of Revenues and Other Sources (Under) Expenditures And Other Uses	(313,614)	(453,054)	(271,181)	181,873
Fund Balances at Beginning of Year	<u>472,656</u>	<u>472,656</u>	<u>472,656</u>	<u>0</u>
Fund Balances at End of Year	<u>\$159,042</u>	<u>\$19,602</u>	<u>\$201,475</u>	<u>\$181,873</u>



City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$73,000	\$73,000	\$80,164	\$7,164
Miscellaneous	1,000	1,000	700	(300)
Total Revenue	<u>74,000</u>	<u>74,000</u>	<u>80,864</u>	<u>6,864</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
State Highway Maintenance & Repair				
Personal Services	89,750	99,392	96,329	3,063
Fringe Benefits	52,160	67,168	63,815	3,353
Total Transportation	<u>141,910</u>	<u>166,560</u>	<u>160,144</u>	<u>6,416</u>
Total Expenditures	<u>141,910</u>	<u>166,560</u>	<u>160,144</u>	<u>6,416</u>
Excess of Revenues (Under) Expenditures	(67,910)	(92,560)	(79,280)	13,280
<b>Other Financing Sources</b>				
Transfers-In	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Other Sources	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,090	(17,560)	(4,280)	13,280
Fund Balances at Beginning of Year	<u>32,168</u>	<u>32,168</u>	<u>32,168</u>	<u>0</u>
Fund Balances at End of Year	<u>\$39,258</u>	<u>\$14,608</u>	<u>\$27,888</u>	<u>\$13,280</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$457,500	\$457,500	\$498,021	\$40,521
Charges for Services	32,000	32,000	37,755	5,755
Other	10,500	10,500	7,496	(3,004)
Total Revenue	500,000	500,000	543,272	43,272
<b>Expenditures</b>				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	360,646	387,865	355,983	31,882
Fringe Benefits	213,970	260,196	228,239	31,957
Travel Transportation	1,200	0	0	0
Materials and Supplies	178,176	184,741	139,187	45,554
Contractual Services	7,060	6,935	4,767	2,168
Capital Outlay	4,264	4,264	4,178	86
Other	25,425	20,085	8,686	11,399
Total Leisure Time Activities	790,741	864,086	741,040	123,046
Total Expenditures	790,741	864,086	741,040	123,046
Excess of Revenues (Under) Expenditures	(290,741)	(364,086)	(197,768)	166,318
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	4,600	4,600
Transfers-In	146,000	141,000	134,918	(6,082)
Transfers-Out	(800)	(800)	(638)	162
Total Other Sources (Uses)	145,200	140,200	138,880	(1,320)
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(145,541)	(223,886)	(58,888)	164,998
Fund Balances at Beginning of Year	233,887	233,887	233,887	0
Prior Year Encumbrances Appropriated	3,878	3,878	3,878	0
Fund Balances at End of Year	\$92,224	\$13,879	\$178,877	\$164,998

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$654,500	\$654,500	\$437,964	(\$216,536)
Investment Earnings	0	0	202	202
Other	0	30,859	30,859	0
<b>Total Revenue</b>	<u>654,500</u>	<u>685,359</u>	<u>469,025</u>	<u>(216,334)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Materials and Supplies	592,323	624,853	454,747	170,106
Contractual Services	62,000	62,000	62,000	0
<b>Total Community Environment</b>	<u>654,323</u>	<u>686,853</u>	<u>516,747</u>	<u>170,106</u>
<b>Total Expenditures</b>	<u>654,323</u>	<u>686,853</u>	<u>516,747</u>	<u>170,106</u>
Excess of Revenues Over (Under) Expenditures	177	(1,494)	(47,722)	(46,228)
Fund Balances at Beginning of Year	<u>60,061</u>	<u>60,061</u>	<u>60,061</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$60,238</u></u>	<u><u>\$58,567</u></u>	<u><u>\$12,339</u></u>	<u><u>(\$46,228)</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	<u>\$92,641</u>	<u>\$96,141</u>	<u>\$43,814</u>	<u>(\$52,327)</u>
Total Revenue	<u>92,641</u>	<u>96,141</u>	<u>43,814</u>	<u>(52,327)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
State Grants				
Materials and Supplies	0	3,500	2,306	1,194
Contractual Services	<u>57,422</u>	<u>57,422</u>	<u>0</u>	<u>57,422</u>
Total Community Environment	<u>57,422</u>	<u>60,922</u>	<u>2,306</u>	<u>58,616</u>
Total Expenditures	<u>57,422</u>	<u>60,922</u>	<u>2,306</u>	<u>58,616</u>
Excess of Revenues Over Expenditures	35,219	35,219	41,508	6,289
<b>Other Financing (Uses)</b>				
Transfers-Out	<u>(35,219)</u>	<u>(35,219)</u>	<u>(32,005)</u>	<u>3,214</u>
Total Other (Uses)	<u>(35,219)</u>	<u>(35,219)</u>	<u>(32,005)</u>	<u>3,214</u>
Excess of Revenues Over Expenditures and Other Uses	0	0	9,503	9,503
Fund Balances at Beginning of Year	<u>35,583</u>	<u>35,583</u>	<u>35,583</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$35,583</u></u>	<u><u>\$35,583</u></u>	<u><u>\$45,086</u></u>	<u><u>\$9,503</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Travel Transportation	300	0	0	0
Materials and Supplies	20,700	21,020	19,833	1,187
Capital Outlay	27,570	77,570	41,377	36,193
Other	200	180	180	0
Total Community Environment	48,770	98,770	61,390	37,380
Total Expenditures	48,770	98,770	61,390	37,380
Excess of Revenues (Under) Expenditures	(48,770)	(98,770)	(61,390)	37,380
<b>Other Financing Sources (Uses)</b>				
Transfers-In	60,000	95,000	95,000	0
Transfers-Out	(21,000)	(21,000)	(9,918)	11,082
Total Other Sources (Uses)	39,000	74,000	85,082	11,082
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(9,770)	(24,770)	23,692	48,462
Fund Balances at Beginning of Year	18,796	18,796	18,796	0
Prior Year Encumbrances Appropriated	7,570	7,570	7,570	0
Fund Balances at End of Year	\$16,596	\$1,596	\$50,058	\$48,462

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, 2007

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$0	\$0	\$403,061	\$403,061
Total Revenue	0	0	403,061	403,061
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	434,152	434,152	339,284	94,868
Total General Government	434,152	434,152	339,284	94,868
Total Expenditures	434,152	434,152	339,284	94,868
Excess of Revenues Over (Under) Expenditures	(434,152)	(434,152)	63,777	\$497,929
<b>Other Financing Sources</b>				
Transfers-In	375,000	375,000	375,000	0
Total Other Sources	375,000	375,000	375,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(59,152)	(59,152)	438,777	497,929
Fund Balances at Beginning of Year	521,117	521,117	521,117	0
Fund Balances at End of Year	<u>\$461,965</u>	<u>\$461,965</u>	<u>\$959,894</u>	<u>\$497,929</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$20,226</u>	<u>\$10,226</u>
Total Revenue	<u>10,000</u>	<u>10,000</u>	<u>20,226</u>	<u>10,226</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	<u>10,000</u>	<u>10,000</u>	<u>3,254</u>	<u>6,746</u>
Total Security of Persons and Property	<u>10,000</u>	<u>10,000</u>	<u>3,254</u>	<u>6,746</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>3,254</u>	<u>6,746</u>
Excess of Revenues Over (Under) Expenditures	0	0	16,972	16,972
Fund Balances at Beginning of Year	<u>95,300</u>	<u>95,300</u>	<u>95,300</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$95,300</u></u>	<u><u>\$95,300</u></u>	<u><u>\$112,272</u></u>	<u><u>\$16,972</u></u>



City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$16,430</u>	<u>\$6,430</u>
Total Revenue	<u>10,000</u>	<u>10,000</u>	<u>16,430</u>	<u>6,430</u>
<b>Expenditures</b>				
<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	5,000	5,000	16,430	11,430
Fund Balances at Beginning of Year	<u>177,418</u>	<u>177,418</u>	<u>177,418</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$182,418</u></u>	<u><u>\$182,418</u></u>	<u><u>\$193,848</u></u>	<u><u>\$11,430</u></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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$2,254</u>	<u>(\$1,746)</u>
Total Revenue	<u>4,000</u>	<u>4,000</u>	<u>2,254</u>	<u>(1,746)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Total Security of Persons and Property	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Excess of Revenues (Under) Expenditures	<u>(6,000)</u>	<u>(6,000)</u>	<u>(2,746)</u>	<u>3,254</u>
Fund Balances at Beginning of Year	<u>10,155</u>	<u>10,155</u>	<u>10,155</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$4,155</u></u>	<u><u>\$4,155</u></u>	<u><u>\$7,409</u></u>	<u><u>\$3,254</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$3,884</u>	<u>(\$1,116)</u>
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>3,884</u>	<u>(1,116)</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property Enforcement & Education Other	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0	(1,116)	(1,116)
Fund Balances at Beginning of Year	<u>47,692</u>	<u>47,692</u>	<u>47,692</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$47,692</u></u>	<u><u>\$47,692</u></u>	<u><u>\$46,576</u></u>	<u><u>(\$1,116)</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$50,500	\$50,500	\$54,913	\$4,413
Miscellaneous	800	800	4,010	3,210
Total Revenue	<u>51,300</u>	<u>51,300</u>	<u>58,923</u>	<u>7,623</u>
<b>Expenditures</b>				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	82,750	82,953	79,863	3,090
Fringe Benefits	45,874	47,671	46,256	1,415
Travel Transportation	100	0	0	0
Materials and Supplies	22,400	24,001	20,805	3,196
Contractual Services	1,600	600	152	448
Capital Outlay	0	1,524	1,103	421
Other	1,155	355	0	355
Total Transportation	<u>153,879</u>	<u>157,104</u>	<u>148,179</u>	<u>8,925</u>
Total Expenditures	<u>153,879</u>	<u>157,104</u>	<u>148,179</u>	<u>8,925</u>
Excess of Revenues (Under) Expenditures	(102,579)	(105,804)	(89,256)	16,548
<b>Other Financing Sources (Uses)</b>				
Transfers-In	50,000	50,000	50,000	0
Transfers-Out	(700)	(700)	(419)	281
Total Other Sources (Uses)	<u>49,300</u>	<u>49,300</u>	<u>49,581</u>	<u>281</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(53,279)	(56,504)	(39,675)	16,829
Fund Balances at Beginning of Year	87,625	87,625	87,625	0
Prior Year Encumbrances Appropriated	500	500	500	0
Fund Balances at End of Year	<u>\$34,846</u>	<u>\$31,621</u>	<u>\$48,450</u>	<u>\$16,829</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$126,225	\$126,225	\$127,628	\$1,403
Intergovernmental	0	0	1,527	1,527
Other	0	0	15,227	15,227
Total Revenue	<u>126,225</u>	<u>126,225</u>	<u>144,382</u>	<u>18,157</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	464,825	464,825	462,148	2,677
Other	3,000	3,000	2,694	306
Total Security of Persons & Property	<u>467,825</u>	<u>467,825</u>	<u>464,842</u>	<u>2,983</u>
Total Expenditures	<u>467,825</u>	<u>467,825</u>	<u>464,842</u>	<u>2,983</u>
Excess of Revenues (Under) Expenditures	(341,600)	(341,600)	(320,460)	21,140
<b>Other Financing Sources (Uses)</b>				
Transfers-In	450,000	450,000	325,000	(125,000)
Transfers-Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>440,000</u>	<u>440,000</u>	<u>315,000</u>	<u>(125,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	98,400	98,400	(5,460)	(103,860)
Fund Balances at Beginning of Year	<u>6,565</u>	<u>6,565</u>	<u>6,565</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$104,965</u></u>	<u><u>\$104,965</u></u>	<u><u>\$1,105</u></u>	<u><u>(\$103,860)</u></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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$126,225	\$126,225	\$127,628	\$1,403
Intergovernmental	0	0	1,527	1,527
Other	0	0	15,227	15,227
Total Revenue	<u>126,225</u>	<u>126,225</u>	<u>144,382</u>	<u>18,157</u>
<b>Expenditures</b>				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	535,000	600,000	596,944	3,056
Other	3,000	3,000	2,694	306
Total Security of Persons & Property	<u>538,000</u>	<u>603,000</u>	<u>599,638</u>	<u>3,362</u>
Total Expenditures	<u>538,000</u>	<u>603,000</u>	<u>599,638</u>	<u>3,362</u>
Excess of Revenues (Under) Expenditures	(411,775)	(476,775)	(455,256)	21,519
<b>Other Financing Sources (Uses)</b>				
Transfers-In	535,000	535,000	485,000	(50,000)
Transfers-Out	(32,000)	(32,000)	(32,000)	0
Total Other Sources (Uses)	<u>503,000</u>	<u>503,000</u>	<u>453,000</u>	<u>(50,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	91,225	26,225	(2,256)	(28,481)
Fund Balances at Beginning of Year	<u>3,449</u>	<u>3,449</u>	<u>3,449</u>	<u>0</u>
Fund Balances at End of Year	<u>\$94,674</u>	<u>\$29,674</u>	<u>\$1,193</u>	<u>(\$28,481)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
<i>Debt Service:</i>				
Principal Retirement	255,000	255,000	255,000	0
Interest and Fiscal Charges	55,650	55,650	55,135	515
Total Debt Service	310,650	310,650	310,135	515
Total Expenditures	310,650	310,650	310,135	515
Excess of Revenues (Under) Expenditures	(310,650)	(310,650)	(310,135)	515
<b>Other Financing Sources</b>				
Transfers-In	310,650	310,650	313,000	2,350
Total Other Sources	310,650	310,650	313,000	2,350
Excess of Revenues and Other Sources Over Expenditures	0	0	2,865	2,865
Fund Balances at Beginning of Year	13,086	13,086	13,086	0
Fund Balances at End of Year	\$13,086	\$13,086	\$15,951	\$2,865

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, 2007

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



City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$234,345	\$234,345	\$14,345	(\$220,000)
Total Revenue	234,345	234,345	14,345	(220,000)
<b>Expenditures</b>				
<i>Capital Outlay</i>				
Capital Outlay	0	234,345	14,345	220,000
Total Capital Outlay	0	234,345	14,345	220,000
Total Expenditures	0	234,345	14,345	220,000
Excess of Revenues Over Expenditures	234,345	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$234,345	\$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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$611,000	\$611,000	\$662,182	\$51,182
Miscellaneous	0	0	1,601	1,601
Total Revenue	<u>611,000</u>	<u>611,000</u>	<u>663,783</u>	<u>52,783</u>
<b>Expenditures</b>				
Capital Outlay				
Materials & Supplies	8,790	67,225	66,567	658
Capital Outlay	<u>218,475</u>	<u>1,294,685</u>	<u>1,210,811</u>	<u>83,874</u>
Total Capital Outlay	<u>227,265</u>	<u>1,361,910</u>	<u>1,277,378</u>	<u>84,532</u>
Total Expenditures	<u>227,265</u>	<u>1,361,910</u>	<u>1,277,378</u>	<u>84,532</u>
Excess of Revenues Over (Under) Expenditures	383,735	(750,910)	(613,595)	137,315
<b>Other Financing Sources (Uses)</b>				
Issuance of Notes	0	600,000	600,000	0
Transfers-Out	<u>(227,000)</u>	<u>(227,000)</u>	<u>(225,443)</u>	<u>1,557</u>
Total Other Sources (Uses)	<u>(227,000)</u>	<u>373,000</u>	<u>374,557</u>	<u>1,557</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	156,735	(377,910)	(239,038)	138,872
Fund Balances at Beginning of Year	587,869	587,869	587,869	0
Prior Year Encumbrances Appropriated	<u>37,108</u>	<u>37,108</u>	<u>37,108</u>	<u>0</u>
Fund Balances at End of Year	<u>\$781,712</u>	<u>\$247,067</u>	<u>\$385,939</u>	<u>\$138,872</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	65,000	65,000	54,685	10,315
Total Capital Outlay	65,000	65,000	54,685	10,315
Total Expenditures	65,000	65,000	54,685	10,315
Excess of Revenues (Under) Expenditures	(65,000)	(65,000)	(54,685)	10,315
<b>Other Financing Sources</b>				
Transfers-In	50,000	50,000	50,000	0
Total Other Sources	50,000	50,000	50,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures	(15,000)	(15,000)	(4,685)	10,315
Fund Balances at Beginning of Year	31,124	31,124	31,124	0
Fund Balances at End of Year	\$16,124	\$16,124	\$26,439	\$10,315

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$152,500	\$152,500	\$164,160	\$11,660
Miscellaneous	12,000	77,000	87,904	10,904
Total Revenue	<u>164,500</u>	<u>229,500</u>	<u>252,064</u>	<u>22,564</u>
<b>Expenditures</b>				
Capital Outlay				
Materials and Supplies	11,500	9,500	8,227	1,273
Capital Outlay	236,732	385,406	107,144	278,262
Total Capital Outlay	<u>248,232</u>	<u>394,906</u>	<u>115,371</u>	<u>279,535</u>
Total Expenditures	<u>248,232</u>	<u>394,906</u>	<u>115,371</u>	<u>279,535</u>
Excess of Revenues Over (Under) Expenditures	(83,732)	(165,406)	136,693	302,099
<b>Other Financing Sources (Uses)</b>				
Transfers-Out	<u>(32,000)</u>	<u>(32,000)</u>	<u>(30,443)</u>	<u>1,557</u>
Total Other Sources (Uses)	<u>(32,000)</u>	<u>(32,000)</u>	<u>(30,443)</u>	<u>1,557</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(115,732)	(197,406)	106,250	303,656
Fund Balances at Beginning of Year	249,118	249,118	249,118	0
Prior Year Encumbrances Appropriated	<u>4,700</u>	<u>4,700</u>	<u>4,700</u>	<u>0</u>
Fund Balances at End of Year	<u>\$138,086</u>	<u>\$56,412</u>	<u>\$360,068</u>	<u>\$303,656</u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Capital Outlay				
Capital Outlay	<u>11,044</u>	<u>11,044</u>	<u>7,836</u>	<u>3,208</u>
Total Capital Outlay	<u>11,044</u>	<u>11,044</u>	<u>7,836</u>	<u>3,208</u>
Total Expenditures	<u>11,044</u>	<u>11,044</u>	<u>7,836</u>	<u>3,208</u>
Excess of Revenues (Under) Expenditures	(11,044)	(11,044)	(7,836)	3,208
Fund Balances at Beginning of Year	28,079	28,079	28,079	0
Prior Year Encumbrances Appropriated	<u>1,044</u>	<u>1,044</u>	<u>1,044</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$18,079</u></u>	<u><u>\$18,079</u></u>	<u><u>\$21,287</u></u>	<u><u>\$3,208</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment Earnings	\$20	\$20	\$40	\$20
Total Revenue	20	20	40	20
<b>Expenditures</b>				
<i>Current:</i>				
Community Environment				
Other	1,200	1,200	0	1,200
Total Expenditures	1,200	1,200	0	1,200
Excess of Revenues Over (Under) Expenditures	(1,180)	(1,180)	40	1,220
Fund Balances at Beginning of Year	3,067	3,067	3,067	0
Fund Balances at End of Year	\$1,887	\$1,887	\$3,107	\$1,220

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## **CITY OF CHILLICOTHE, OHIO**

### **ENTERPRISE FUNDS**

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



City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$4,270,000	\$4,270,000	\$4,493,342	\$223,342
Other Operating Revenue	13,500	13,500	130,994	117,494
Total Revenue	<u>4,283,500</u>	<u>4,283,500</u>	<u>4,624,336</u>	<u>340,836</u>
<b>Expenses</b>				
<i>Current:</i>				
Personal Services	1,040,470	1,096,016	1,043,140	52,876
Fringe Benefits	557,668	574,790	572,350	2,440
Travel Transportation	600	600	0	600
Contractual Services	228,491	198,976	137,290	61,686
Materials and Supplies	685,275	761,629	652,452	109,177
Other Operating Expenses	546,470	546,931	541,077	5,854
Capital Outlay	413,069	507,832	275,487	232,345
<i>Debt Service:</i>				
Principal Retirement	1,265,000	1,565,000	1,565,000	0
Interest and Fiscal Charges	337,000	337,000	335,866	1,134
Total Expenditures	<u>5,074,043</u>	<u>5,588,774</u>	<u>5,122,662</u>	<u>466,112</u>
Excess of Revenues (Under) Expenditures	(790,543)	(1,305,274)	(498,326)	(125,276)
<b>Other Financing Sources (Uses)</b>				
Interest	44,000	44,000	92,456	48,456
Issuance of Notes	0	300,000	300,000	0
Sale of Capital Assets	0	0	38	38
Transfers-Out	(6,255)	(6,255)	(5,839)	416
Total Other Sources (Uses)	<u>37,745</u>	<u>337,745</u>	<u>386,655</u>	<u>48,910</u>
Excess of Revenues and Other Sources (Under) Expenditures and Other Uses	(752,798)	(967,529)	(111,671)	(76,366)
Fund Balance at Beginning of Year	6,170,680	6,170,680	6,170,680	0
Prior Year Encumbrances Appropriated	<u>7,241</u>	<u>7,241</u>	<u>7,241</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,425,123</u></u>	<u><u>\$5,210,392</u></u>	<u><u>\$6,066,250</u></u>	<u><u>\$855,858</u></u>

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$3,016,000	\$3,016,000	\$3,342,581	\$326,581
Other Operating Revenues	9,000	9,000	73,035	64,035
Total Revenue	<u>3,025,000</u>	<u>3,025,000</u>	<u>3,415,616</u>	<u>390,616</u>
<b>Expenses</b>				
<i>Current:</i>				
Personal Services	942,550	987,901	962,401	25,500
Fringe Benefits	524,650	541,967	534,880	7,087
Travel Transportation	1,450	650	142	508
Contractual Services	91,837	98,023	68,238	29,785
Materials and Supplies	372,616	394,370	328,665	65,705
Other Operating Expenses	380,470	380,115	374,154	5,961
Capital Outlay	574,382	753,068	371,847	381,221
<i>Debt Service:</i>				
Principal Retirement	340,000	340,000	340,000	0
Interest and Fiscal Charges	91,265	91,265	89,777	1,488
Total Expenses	<u>3,319,220</u>	<u>3,587,359</u>	<u>3,070,104</u>	<u>517,255</u>
Excess of Revenues Over (Under) Expenditures	(294,220)	(562,359)	345,512	907,871
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	2,300	2,300
Interest	8,000	8,000	18,925	10,925
Transfers-In	30,000	30,000	30,000	0
Transfers-Out	(6,350)	(6,350)	(5,955)	395
Total Other Sources (Uses)	<u>31,650</u>	<u>31,650</u>	<u>45,270</u>	<u>13,620</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(262,570)	(530,709)	390,782	921,491
Fund Balance at Beginning of Year	2,874,891	2,874,891	2,874,891	0
Prior Year Encumbrances Appropriated	<u>215,584</u>	<u>215,584</u>	<u>215,584</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,827,905</u></u>	<u><u>\$2,559,766</u></u>	<u><u>\$3,481,257</u></u>	<u><u>\$921,491</u></u>

## **CITY OF CHILLICOTHE, OHIO**

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

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

#### **Unclaimed Monies Fund**

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

### **AGENCY FUNDS**

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

#### **Court Agency Fund**

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

#### **Deposits Agency Fund**

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

City of Chillicothe, Ohio

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

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	<u>\$19,000</u>	<u>\$19,000</u>	<u>\$2,317</u>	<u>(\$16,683)</u>
Total Revenue	<u>19,000</u>	<u>19,000</u>	<u>2,317</u>	<u>(16,683)</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government				
Unclaimed Monies				
Other	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total General Government	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Excess of Revenues Over Expenditures	18,000	18,000	2,317	(15,683)
<b>Other Financing (Uses)</b>				
Transfers-Out	<u>(19,000)</u>	<u>(19,000)</u>	<u>(18,383)</u>	<u>617</u>
Total Other Financing (Uses)	<u>(19,000)</u>	<u>(19,000)</u>	<u>(18,383)</u>	<u>617</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(1,000)	(1,000)	(16,066)	(15,066)
Fund Balances at Beginning of Year	<u>50,324</u>	<u>50,324</u>	<u>50,324</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$49,324</u></u>	<u><u>\$49,324</u></u>	<u><u>\$34,258</u></u>	<u><u>(\$15,066)</u></u>

City of Chillicothe, Ohio

Statement of Changes in Assets & Liabilities  
Agency Funds

For the Year Ended December 31, 2007

	Balance 1/1/2007	Additions	Reductions	Balance 12/31/2007
<b>Deposits Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$33,392	\$12,410	\$2,464	\$43,338
Total Assets	<u>\$33,392</u>	<u>\$12,410</u>	<u>\$2,464</u>	<u>\$43,338</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$33,392	\$12,410	\$2,464	\$43,338
Total Liabilities	<u>\$33,392</u>	<u>\$12,410</u>	<u>\$2,464</u>	<u>\$43,338</u>
<b>Municipal Court Agency</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$219,833	\$1,997,573	\$1,932,158	\$285,248
Total Assets	<u>\$219,833</u>	<u>\$1,997,573</u>	<u>\$1,932,158</u>	<u>\$285,248</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$38,295	\$614,789	\$613,029	\$40,055
Undistributed Monies	179,748	395,809	334,312	241,245
Deposits Held and Due to Others	1,790	986,975	984,817	3,948
Total Liabilities	<u>\$219,833</u>	<u>\$1,997,573</u>	<u>\$1,932,158</u>	<u>\$285,248</u>
<b>Total Agency Funds+A16</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$33,392	\$12,410	\$2,464	\$43,338
Cash and Cash Equivalents in Segregated Accounts	219,833	1,997,573	1,932,158	285,248
Total Assets	<u>\$253,225</u>	<u>\$2,009,983</u>	<u>\$1,934,622</u>	<u>\$328,586</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$38,295	\$614,789	\$613,029	\$40,055
Undistributed Monies	179,748	395,809	334,312	241,245
Deposits Held and Due to Others	35,182	999,385	987,281	47,286
Total Liabilities	<u>\$253,225</u>	<u>\$2,009,983</u>	<u>\$1,934,622</u>	<u>\$328,586</u>

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# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	117-119
<b>Revenue Capacity</b>	
These schedules contain information to help the reader understand and access the factors affecting the City's ability to generate its most significant local revenue source, the property tax.	120-126
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	127-132
<b>Economic and Demographic Information</b>	
This schedule offers economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	133-134
<b>Operating Information</b>	
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	135-139

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

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

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

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

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

continued

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

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

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Fund</b>										
Reserved	\$230,726	\$147,330	\$166,329	\$79,720	\$55,586	\$11,247	\$20,601	\$234,274	\$200,693	\$217,361
Unreserved	3,734,320	4,038,814	4,099,131	4,475,366	3,471,774	2,816,514	3,056,578	3,460,144	3,801,025	3,274,545
<b>Total General Fund</b>	<b>3,965,046</b>	<b>4,186,144</b>	<b>4,265,460</b>	<b>4,555,086</b>	<b>3,527,360</b>	<b>2,827,761</b>	<b>3,077,179</b>	<b>3,694,418</b>	<b>4,001,718</b>	<b>3,491,906</b>
<b>All Other Governmental Funds</b>										
Reserved	282,994	166,458	522,645	340,879	190,008	401,296	499,208	696,053	768,321	243,570
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,727,917	1,784,043	1,485,493	1,809,394	2,371,259	1,863,049	1,059,228	971,065	1,701,632	2,138,285
Debt Service Funds	70,396	78,705	92,536	99,783	104,236	66,044	12,150	12,669	13,085	15,950
Capital Projects Funds	655,985	676,923	723,786	716,408	751,585	466,840	752,059	484,927	810,503	528,189
Permanent Funds	3,690	3,750	3,810	2,887	2,927	1,967	1,987	2,027	2,067	2,107
<b>Total All Other Governmental Funds</b>	<b>2,740,982</b>	<b>2,709,879</b>	<b>2,828,270</b>	<b>2,969,351</b>	<b>3,420,015</b>	<b>2,799,196</b>	<b>2,324,632</b>	<b>2,166,741</b>	<b>3,295,608</b>	<b>2,928,101</b>
<b>Total Governmental Funds</b>	<b>\$6,706,028</b>	<b>\$6,896,023</b>	<b>\$7,093,730</b>	<b>\$7,524,437</b>	<b>\$6,947,375</b>	<b>\$5,626,957</b>	<b>\$5,401,811</b>	<b>\$5,861,159</b>	<b>\$7,297,326</b>	<b>\$6,420,007</b>

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Property Taxes	\$1,391,671	\$1,428,556	\$1,462,864	\$1,495,125	\$1,338,358	\$1,398,276	\$1,403,530	\$1,471,716	\$1,430,536	\$1,326,120
Municipal Income Taxes	8,831,872	8,978,397	9,220,838	9,555,524	9,560,787	9,415,341	10,020,765	10,209,835	10,075,395	10,473,453
Other Taxes	0	0	0	0	167,670	171,124	175,024	164,990	420,586	249,109
Charges for Services	2,257,395	1,666,596	1,646,356	1,715,355	2,211,337	2,732,346	2,878,583	2,928,451	2,135,699	2,386,542
Fines, Licenses and Permits	1,439,458	1,481,959	1,503,614	1,600,285	4,451,859	3,077,953	3,153,361	3,313,382	1,372,056	1,556,251
Intergovernmental	3,658,562	3,707,165	3,808,469	4,033,644	4,357,747	4,210,207	5,332,461	4,279,833	5,685,333	5,439,441
Special Assessments	119,265	130,183	123,662	12,628	3,689	3,430	5,222	7,871	5,017	19,934
Investment Earnings	658,762	662,905	948,055	690,107	266,635	144,920	146,091	302,373	544,065	656,517
Miscellaneous	821,781	397,458	674,489	407,108	308,983	564,002	837,783	526,713	733,004	431,371
<b>Total Revenues</b>	<b>19,178,766</b>	<b>18,453,219</b>	<b>19,388,347</b>	<b>19,509,776</b>	<b>22,667,065</b>	<b>21,717,599</b>	<b>23,952,820</b>	<b>23,205,164</b>	<b>22,401,691</b>	<b>22,538,738</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	4,483,092	4,743,515	4,852,165	5,186,334	8,253,668	7,393,976	7,151,308	7,225,043	4,629,603	5,005,119
<i>Security of Persons and Property:</i>										
Police	6,596,471	7,265,341	7,749,666	7,863,743	4,466,763	4,521,095	4,702,257	4,159,841	4,535,032	5,013,183
Fire	0	0	0	0	4,009,416	4,190,877	4,291,686	4,134,698	4,182,352	4,563,369
Transportation	3,032,695	2,951,151	3,144,877	3,021,633	3,336,160	3,439,101	4,324,254	3,759,348	4,306,075	4,643,236
Community Environment	397,983	296,156	601,779	433,672	533,551	701,489	388,920	791,855	382,103	489,853
Basic Utilities Services	833,684	963,720	1,018,359	1,038,420	893,911	890,736	916,882	806,492	1,009,378	1,069,275
Leisure Time Activities	633,893	680,082	708,576	730,341	771,929	822,761	830,216	776,363	788,703	900,563
Capital Outlay	940,767	760,693	602,319	508,306	616,504	525,325	1,210,634	646,646	1,156,485	1,599,605
<i>Debt Service:</i>										
Principal Retirement	370,212	967,728	454,065	357,325	371,064	2,331,034	294,295	306,305	321,075	721,505
Interest and Fiscal Charges	227,241	226,994	218,819	202,167	181,762	270,936	96,666	102,493	103,578	93,755
<b>Total Expenditures</b>	<b>17,516,038</b>	<b>18,855,380</b>	<b>19,350,625</b>	<b>19,341,941</b>	<b>23,434,728</b>	<b>25,087,330</b>	<b>24,207,118</b>	<b>22,709,084</b>	<b>21,414,384</b>	<b>24,099,463</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<b>1,662,728</b>	<b>(402,161)</b>	<b>37,722</b>	<b>167,835</b>	<b>(767,663)</b>	<b>(3,369,731)</b>	<b>(254,298)</b>	<b>496,080</b>	<b>987,307</b>	<b>(1,560,725)</b>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	20,914	14,343	24,086	1,505	2,260	40,038	0	0	4,492	29,727
General Obligation Bonds Issues	0	575,000	0	0	0	2,125,000	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0	0	16,642	0	0	0	0
Issuance of Notes	0	0	0	0	0	0	0	0	400,000	600,000
Proceeds from Loan	0	0	0	0	0	0	0	126,126	0	0
Inception of Capital Lease	26,622	23,600	156,658	36,297	2,000	12,228	55,181	69,106	61,035	71,885
Transfers In	3,271,141	4,481,160	3,672,531	2,845,423	2,776,849	2,702,138	2,144,023	2,459,970	2,750,793	2,239,304
Transfers Out	(3,263,665)	(4,505,370)	(3,696,480)	(2,868,985)	(2,782,255)	(2,850,733)	(2,166,052)	(2,482,030)	(2,767,460)	(2,257,510)
<b>Total Other Financing Sources (Uses)</b>	<b>55,012</b>	<b>588,733</b>	<b>156,795</b>	<b>14,240</b>	<b>(1,146)</b>	<b>2,045,313</b>	<b>33,152</b>	<b>173,172</b>	<b>448,860</b>	<b>683,406</b>
<b>Net Change in Fund Balances</b>	<b>\$1,717,740</b>	<b>\$186,572</b>	<b>\$194,517</b>	<b>\$182,075</b>	<b>(\$768,809)</b>	<b>(\$1,324,418)</b>	<b>(\$221,146)</b>	<b>\$669,252</b>	<b>\$1,436,167</b>	<b>(\$877,319)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.6%	6.6%	3.6%	3.0%	2.4%	10.6%	1.7%	1.9%	2.1%	3.6%

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

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

Collection Year	Real Property		Tangible Personal Property			Tangible Personal Property			Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	General Business		Assessed Value	Estimated Actual Value	
							Public Utility	General Business			
1998	\$238,158,710	\$680,453,457	\$23,974,270	\$27,243,489	\$127,875,960	\$511,503,840	\$390,008,940	\$1,219,200,786	\$1,219,200,786	31.99%	
1999	273,952,180	782,720,514	25,596,250	29,086,648	133,939,782	535,759,128	433,488,212	1,347,566,290	1,347,566,290	32.17%	
2000	277,047,580	791,564,514	25,226,420	28,666,386	138,200,360	552,801,440	440,474,360	1,373,032,341	1,373,032,341	32.08%	
2001	281,716,700	804,904,857	26,229,520	29,806,273	134,758,760	539,035,040	442,704,980	1,373,746,170	1,373,746,170	32.23%	
2002	317,916,300	908,332,286	22,138,160	25,157,000	126,066,490	504,265,960	466,120,950	1,437,755,246	1,437,755,246	32.42%	
2003	320,113,840	914,610,971	25,010,810	28,421,375	136,569,160	546,276,640	481,693,810	1,489,308,986	1,489,308,986	32.34%	
2004	325,706,610	930,590,314	21,397,510	24,315,352	99,150,970	396,603,880	446,255,090	1,351,509,547	1,351,509,547	33.02%	
2005	356,696,600	1,019,133,143	21,343,390	24,253,852	88,563,590	354,254,360	466,603,580	1,397,641,355	1,397,641,355	33.39%	
2006	359,476,340	1,027,075,257	19,197,300	21,815,114	60,785,720	324,190,507	439,459,360	1,373,080,878	1,373,080,878	32.01%	
2007	361,865,550	1,033,901,571	18,246,050	20,734,148	38,150,840	305,206,720	418,262,440	1,359,842,439	1,359,842,439	30.76%	

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

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

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

Source: Ross County Auditor

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>City of Chillicothe Millage</b>										
Operating	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20
<i>Total City Millage</i>	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20
<b>Ross County Millage</b>										
Operating	9.40	9.40	9.40	9.40	9.40	9.40	9.80	10.40	10.40	10.40
<i>Total County Millage</i>	9.40	9.40	9.40	9.40	9.40	9.40	9.80	10.40	10.40	10.40
<b>Chillicothe City School District Millage</b>										
Operating	37.70	37.70	37.70	37.70	37.70	37.70	37.70	40.20	46.20	46.20
Debt Service	0.20	0.10	0.04	0.00	0.00	0.00	0.00	4.47	4.47	4.47
<i>Total School Millage</i>	37.90	37.80	37.74	37.70	37.70	37.70	37.70	44.67	50.67	50.67
<b>Other Millage</b>										
Operating	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	4.80
<i>Total Other Millage</i>	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	4.80
<b>Total Millage</b>	54.30	54.20	54.14	54.10	54.10	54.10	54.50	62.07	68.07	70.07
<b>Overlapping Rates by Taxing District</b>										

Source: Ross County Auditor

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

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

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

Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Total Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
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%
2006	1,372,991	1,339,805	97.58%	38,675	1,378,483	100.40%	52,481	3.82%
2007	1,308,996	1,282,064	97.94%	40,662	1,326,388	101.33%	59,173	4.52%

Source: Ross County Auditor



City of Chillicothe, Ohio  
Principal Taxpayers - Real Estate Tax  
2007 and 1998

Taxpayer	2007	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$27,265,920	7.53%
DDR Chillicothe LLC	3,640,230	1.01%
Chillicothe Mall	3,454,820	0.95%
Central Center	2,885,940	0.80%
PPG Industries, Inc	2,810,420	0.78%
Kmart	2,328,100	0.64%
Horizon Telcom, Inc	2,320,390	0.64%
Zane Plaza	2,140,520	0.59%
RG Chilli Associates LTD	1,648,510	0.46%
Roscco Partners. LLC	1,370,360	0.38%
<b>Total</b>	<b>\$49,865,210</b>	<b>13.78%</b>
<b>Total Assessed Valuation</b>	<b>\$361,865,550</b>	

Taxpayer	1998	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Mead Corporation	\$25,860,520	10.86%
Developers Diversified Realty	2,829,440	1.19%
Chillicothe Mall	2,554,920	1.07%
Central Center LTD	2,303,640	0.97%
Real Estate Finance Trust	2,175,600	0.91%
PPG Industries, Inc	2,134,760	0.90%
RG Chilli Associates LTD	2,117,360	0.89%
Shawnee Group LTD Partnership	2,073,470	0.87%
Horizon Telcom, Inc	1,483,390	0.62%
ABCO Land Development	1,286,650	0.54%
<b>Total</b>	<b>\$44,819,750</b>	<b>18.82%</b>
<b>Total Assessed Valuation</b>	<b>\$238,158,710</b>	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

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

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

Source: City Income Tax Department

Information prior to 2001 is not available

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

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

YEAR	Governmental Activities					Business-Type Activities					TOTAL DEBT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OPWC LOANS	CAPITAL LEASES	GENERAL OBLIGATION BONDS	MORTGAGE REVENUE BONDS	OWDA LOANS						
1998	\$3,205,000	\$215,000	\$0	\$77,949	\$0	\$16,935,000	\$359,369				\$20,792,318	7.30%	\$915
1999	3,500,000	110,000	0	75,120	0	16,130,000	286,661				20,101,781	7.06%	885
2000	3,210,000	0	0	177,713	0	15,290,000	210,046				18,887,759	6.84%	857
2001	2,895,000	0	0	171,685	0	14,410,000	129,313				17,605,998	6.38%	799
2002	2,570,000	0	0	127,621	0	13,490,000	44,242				16,231,863	3.73%	712
2003	2,405,000	0	0	98,815	2,095,000	12,560,000	0				17,158,815	4.12%	787
2004	2,160,000	0	0	137,758	2,020,000	11,490,000	0				15,807,758	3.80%	725
2005	1,915,000	0	113,513	154,650	1,935,000	10,330,000	0				14,448,163	2.87%	663
2006	1,660,000	0	100,900	162,223	1,855,000	9,145,000	0				12,923,123	2.56%	593
2007	1,405,000	0	88,287	141,498	1,770,000	7,925,000	0				11,329,785	2.72%	520

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

YEAR	POPULATION (1)	ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (2)	GROSS BONDED DEBT (3)	RATIO OF NET BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	NET BONDED DEBT PER CAPITA
1998	22,726	\$1,219,200,786	\$20,140,000	1.65%	\$886
1999	22,726	1,347,566,290	19,630,000	1.46%	864
2000	22,041	1,373,032,340	18,500,000	1.35%	839
2001	22,041	1,373,746,170	17,305,000	1.26%	785
2002	21,796	1,458,766,328	16,060,000	1.10%	737
2003	21,796	1,536,811,302	17,060,000	1.11%	783
2004	21,796	1,385,996,840	15,670,000	1.13%	719
2005	21,796	1,428,446,081	14,180,000	0.99%	651
2006	21,796	1,373,080,878	12,660,000	0.92%	581
2007	21,796	1,359,842,439	11,100,000	0.82%	509

Sources:

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

(2) Ross County Auditor

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

CITY OF CHILLICOTHE, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2007

JURISDICTION	GOVERNMENTAL ACTIVITIES DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY (1)	AMOUNT APPLICABLE TO CITY
<b>DIRECT - CITY OF CHILLICOTHE</b>			
GENERAL OBLIGATION BONDS	\$955,000	100.00%	\$955,000
OPWC LOANS	88,287	100.00%	88,287
CAPITAL LEASES	141,498	100.00%	141,498
POLICE AND FIRE PENSION BONDS	450,000	100.00%	450,000
GENERAL OBLIGATION NOTES	1,000,000	100.00%	1,088,287
TOTAL DIRECT DEBT	<u>2,634,785</u>		<u>2,723,072</u>
<b>OVERLAPPING</b>			
ROSS COUNTY	\$9,745,353	39.79%	\$3,877,676
CHILLICOTHE CITY SCHOOLS	33,289,146	92.71%	30,862,367
UNION-SCIOTO LOCAL SCHOOLS	2,918,136	16.41%	478,866
SOUTHEASTERN LOCAL SCHOOLS	2,915,978	5.44%	158,629
ZANE TRACE LOCAL SCHOOLS	3,156,625	0.80%	25,253
SCIOTO TOWNSHIP	77,044	84.74%	65,287
SPRINGFIELD TOWNSHIP	134,200	3.09%	4,147
TOTAL OVERLAPPING DEBT	<u>52,236,482</u>		<u>35,472,225</u>
TOTAL	<u><u>\$54,871,267</u></u>		<u><u>\$38,195,297</u></u>

Source: Chillicothe City Auditor/ Ross County Auditor

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

CITY OF CHILLICOTHE, OHIO  
LEGAL DEBT MARGIN  
LAST TEN YEARS

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Assessed Property Value	\$390,008,940	\$433,488,212	\$440,474,360	\$442,704,980	\$466,120,950	\$481,693,810	\$446,253,090	\$466,603,580	\$439,459,360	\$418,262,440
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	40,950,939	45,516,262	46,249,808	46,484,023	48,942,700	50,577,850	46,856,784	48,993,376	46,143,233	43,917,556
Debt Outstanding:										
General Obligation Bonds	3,205,000	3,800,000	3,210,000	2,895,000	2,570,000	2,405,000	2,160,000	1,915,000	1,660,000	1,405,000
General Obligation Bonds - Enterprise	0	0	0	0	13,490,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000
General Obligation Revenue Bonds	16,935,000	16,130,000	15,290,000	14,410,000	0	1,256,000	11,490,000	10,330,000	9,145,000	7,925,000
OWDA Loans	359,369	286,661	210,046	129,313	44,242	0	0	0	0	0
OPWC Loans	0	0	0	0	0	0	0	113,513	100,900	88,287
Special Assessment Bonds	215,000	110,000	3,950,000	3,725,000	3,500,000	2,000,000	2,200,000	1,700,000	1,200,000	1,300,000
Notes Payable	1,400,000	1,175,000	3,950,000	3,725,000	3,500,000	2,000,000	2,200,000	1,700,000	1,200,000	1,300,000
Total Gross Indebtedness	22,114,369	21,201,661	22,660,046	21,159,313	19,604,242	19,060,000	17,870,000	15,993,513	13,960,900	12,488,287
Less:										
Notes Payable from Governmental Fund Revenues	0	0	0	0	0	0	1,000,000	800,000	600,000	400,000
Revenue Bonds Payable from Enterprise Fund Revenues	16,935,000	16,130,000	15,290,000	14,410,000	13,490,000	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000
G.O. Bonds Payable from Enterprise Fund Revenues	1,400,000	1,175,000	3,950,000	3,725,000	3,500,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000
Notes Payable from Enterprise Fund Revenues	359,369	286,661	210,046	129,313	44,242	2,000,000	1,200,000	900,000	600,000	300,000
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0	0	0	0	113,513	100,900	88,287
Special Assessment Bonds	215,000	110,000	0	0	0	0	0	0	0	0
Bond Retirement Fund Balance	70,396	78,705	92,536	99,783	104,236	62,044	12,150	12,669	13,086	15,950
Total Net Debt Applicable to Debt Limit	3,134,604	3,421,295	3,117,464	2,795,217	2,465,764	2,342,956	2,147,850	1,902,331	1,646,914	1,989,050
Legal Debt Margin Within 10 1/2% Limitations	\$37,816,335	\$42,094,967	\$43,132,344	\$43,688,806	\$46,476,936	\$48,234,894	\$44,708,934	\$47,091,045	\$44,496,319	\$41,928,506
Legal Debt Margin as a Percentage of the Debt Limit	92.35%	92.48%	93.26%	93.99%	94.96%	95.37%	95.42%	96.12%	96.43%	95.47%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	\$21,450,492	\$23,841,852	\$24,226,090	\$24,348,774	\$25,636,652	\$26,493,160	\$24,544,030	\$25,663,197	\$24,170,265	\$23,004,434
Total Gross Indebtedness	22,114,369	21,201,661	22,660,046	21,159,313	19,604,242	19,060,000	17,870,000	15,993,513	13,960,900	12,488,287
Less:										
Notes Payable from Governmental Fund Revenues	0	0	0	0	0	0	1,000,000	800,000	600,000	400,000
Revenue Bonds Payable from Enterprise Fund Revenues	16,935,000	16,130,000	15,290,000	14,410,000	13,490,000	12,560,000	11,490,000	10,330,000	9,145,000	7,925,000
G.O. Bonds Payable from Enterprise Fund Revenues	1,400,000	1,175,000	3,950,000	3,725,000	3,500,000	2,095,000	2,020,000	1,935,000	1,855,000	1,770,000
Notes Payable from Enterprise Fund Revenues	359,369	286,661	210,046	129,313	44,242	2,000,000	1,200,000	900,000	600,000	300,000
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0	0	0	0	113,513	100,900	88,287
Special Assessment Bonds	215,000	110,000	0	0	0	0	0	0	0	0
Bond Retirement Fund Balance	70,396	78,705	92,536	99,783	104,236	62,044	12,150	12,669	13,086	15,950
Net Debt Within 5 1/2% Limitations	3,134,604	3,421,295	3,117,464	2,795,217	2,465,764	2,342,956	2,147,850	1,902,331	1,646,914	1,989,050
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$18,315,888	\$20,420,557	\$21,108,626	\$21,553,557	\$23,170,888	\$24,150,204	\$22,396,180	\$23,760,866	\$22,523,351	\$21,015,384
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	85.39%	85.65%	87.13%	88.52%	90.38%	91.16%	91.25%	92.59%	93.19%	91.35%

Source: City Financial Records

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

YEAR	WATER SERVICE CHARGES AND INTEREST	DIRECT OPERATING EXPENSES (1)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
1998	\$3,821,755	\$2,502,620	\$1,319,135	\$600,000	\$792,158	0.95
1999	3,844,349	2,370,428	1,473,921	625,000	766,658	1.06
2000	3,967,096	2,432,293	1,534,803	655,000	738,845	1.10
2001	4,019,211	2,511,184	1,508,027	685,000	708,715	1.08
2002	4,261,581	2,580,987	1,680,594	715,000	676,520	1.21
2003	4,237,212	3,003,396	1,233,816	750,000	642,200	0.89
2004	4,681,173	2,395,727	2,285,446	850,000	426,668	1.79
2005	4,569,734	2,806,797	1,762,937	930,000	348,715	1.38
2006	4,476,401	2,532,230	1,944,171	945,000	330,115	1.52
2007	4,736,631	3,085,979	1,650,652	965,000	301,505	1.30

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

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

YEAR	SEWER SERVICE CHARGES AND INTEREST	DIRECT OPERATING EXPENSES (1)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST	
1998	\$2,453,774	\$2,032,993	\$420,781	\$175,000	\$106,398	1.50
1999	2,494,278	1,704,291	789,987	180,000	99,835	2.82
2000	2,526,320	1,749,893	776,427	185,000	92,815	2.79
2001	2,678,013	1,992,229	685,784	195,000	85,415	2.45
2002	2,906,583	2,039,687	866,896	205,000	77,323	3.07
2003	2,875,559	2,406,215	469,344	210,000	68,405	1.69
2004	3,049,095	2,444,535	604,560	220,000	58,955	2.17
2005	3,092,130	2,551,986	540,144	230,000	48,835	1.94
2006	3,185,599	2,293,202	892,397	240,000	38,025	3.21
2007	3,569,310	2,304,866	1,264,444	255,000	26,265	4.50

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



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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Age (1)	School Enrollment (2)	Ross County Unemployment Rate (3)	Total Assessed Property Value (4)
1998	22,726	\$284,734,054	\$12,529	37.2	4,120	4.9%	\$390,008,940
1999	22,726	284,734,054	12,529	37.2	4,280	4.4%	433,488,212
2000	22,041	276,151,689	12,529	37.2	4,230	5.7%	440,474,360
2001	22,041	276,151,689	12,529	40.0	4,017	6.4%	442,704,980
2002	22,796	435,426,396	19,101	40.0	3,841	6.2%	466,120,950
2003	21,796	416,325,396	19,101	40.0	3,743	7.1%	481,693,810
2004	21,796	416,325,396	19,101	40.0	3,733	9.1%	446,255,090
2005	21,796	503,988,908	23,123	40.0	3,350	7.3%	466,603,580
2006	21,796	503,988,908	23,123	40.0	3,145	6.2%	439,459,360
2007	21,796	498,387,336	22,866	40.0	3,171	8.0%	418,262,440

(1) Source: Bureau of the Census/ Ohio Valley Regional Development Commission  
 (2) Source: Chillicothe Board of Education/Bishop Flaget Parochial School Office/Landmark Christian Academy/Southern Hills Academy  
 (3) Source: Ohio Job & Family Services, Office of Workforce Development  
 (4) Source: Ross County Auditor  
 (5) Computation of per capita personal income multiplied by population

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

2007

Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,650	5.08%
Ross County	County Govt	553	1.70%
Chillicothe City Schools	Education	353	1.09%
Wal-Mart	Retail	380	1.17%
City of Chillicothe	City Govt	296	0.91%
Ohio University-Chillicothe	College Campus	260	0.80%
Horizon Family of Companies	Communications	184	0.57%
Lowe's	Retail	156	0.48%
Adelphia	Cable TV/Internet	150	0.46%
American Electric Power	Utility Center	95	0.29%
Total		<u>4,077</u>	<u>12.54%</u>
Total Employment Within the City		<u>32,500</u>	<u>100.00%</u>

1998

Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	2,200	n/a
Ross County	County Govt	535	n/a
Chillicothe City Schools	Education	430	n/a
City of Chillicothe	City Govt	329	n/a
Wal-Mart	Retail	n/a	n/a
Horizon Family of Companies	Communications	290	n/a
Ohio University-Chillicothe	College Campus	170	n/a
Adelphia	Cable TV/Internet	n/a	n/a
American Electric Power	Utility Center	120	n/a
Lowe's	Retail	100	n/a
Total		<u>4,174</u>	<u>n/a</u>
Total Employment Within the City		<u>n/a</u>	<u>n/a</u>

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

n/a - Information not available

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

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

Information Prior to 2006 is not available

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

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

**Source:** City Payroll Department W2 Audit Listing

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

(1) Information prior to 2002 is not available.

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

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

continued

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

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

continued

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

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

(1) Information prior to 2006 is not available

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**Mary Taylor, CPA**  
Auditor of State

**CITY OF CHILLICOTHE**

**ROSS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 2, 2008**