



**VIVID HISTORY. VIBRANT FUTURE.**

# **CITY OF XENIA, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2013**

**CITY OF XENIA, OHIO ... A place to live, work, play, and stay!**



# **CITY OF XENIA, OHIO**

**GREENE COUNTY**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2013**

Prepared by:  
Department of Finance

Mark A. Bazalak  
Finance Director

Ryan Duke  
Assistant Finance Director

Denise Estle  
Finance Technician

Michelle Johnson  
City Clerk



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GREENE COUNTY, OHIO

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I

*INTRODUCTORY SECTION*



July 7, 2014

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

Dear Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Xenia, Ohio for the year ended December 31, 2013, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Xenia's financial activities have been included.

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

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

#### **Auditor of State**

State statutes require an annual audit by the State Auditor's Office, or at the State Auditor's discretion, an independent certified public accounting firm. The State Auditor's Office conducted the audit for 2013. The auditors' unmodified opinion is included in the Financial Section of this report.

## **Single Audit**

If \$500,000 or more in federal awards is expended in the fiscal year, the City of Xenia is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments." The City's expenditures of federal awards in 2013 did require that a single audit be performed. Information related to this single audit can be found in a separate audit report.

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation and internal audit by City management. As part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the year ended December 31, 2013, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

## **GOVERNMENT PROFILE**

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

## **Budget**

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

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the level of personnel services, operating expenses, and capital outlay through an appropriations ordinance passed by City Council. The appropriations ordinance controls expenditures at the fund level except

for the General Fund where it is controlled at the department level. Only City Council may transfer appropriations between personnel services and operating expenses, or between operating and capital outlay, or between capital outlay and personnel services. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the City Council. Activities of all of the City's funds are included in the appropriations budget. The City's budget accounts for transactions on a basis of cash receipts and cash disbursements rather than on the basis of generally accepted accounting principles that measure revenues and expenditures using the accrual or modified accrual basis of accounting. The City also maintains a purchase order and encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts carry-over at year-end and are re-appropriated as part of the following year's budget.

## **ECONOMIC CONDITIONS**

### **Local Economy**

The City is seeing some improvement in the local economy. Unemployment in the City fell from 10.5% in 2010 to 8.9% in 2011 and 8.0% in 2012. In 2013 the rate dropped for a 4<sup>th</sup> straight year to 6.9%. Unemployment rates have improved over the last few years yet they are still slightly higher than national and state rates. The national unemployment rate at the end of 2013 was 6.5%. The state had an unemployment rate of 6.6%, and the county a rate of 6.2%. One area of concern for management is there continue to be far too many households with little or no taxable income within the community. More than 64% of households in the City had a taxable income of less than \$20,000. Economic development and job creation continues to be a top priority for Council and City Management. In 2013 City Council voted to contract with Geneva Analytics and Imagine Nation to aid in economic development efforts. The services provided by these consultants included a building, facilities, and site assessment and a business retention and expansion program. The City is hopeful that an increased focus and investment in economic development will result in job creation and opportunity for City residents and businesses. Despite challenges with the income demographic, the City's financial outlook is positive. The passage of an income tax levy in 2010 has helped to bring some financial stability to the organization, and the City's cash reserve has increased steadily the last few years. The City currently has an A-1 bond rating from Moody's, which has allowed the City access to low interest rate financing options for a variety of purposes. The City's reserve fund balance, quality management strategies, and a low debt ratio, helped preserve an attractive bond rating.

### **Long Term Financial Planning**

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

While an increased income tax rate has most certainly improved the City's financial situation, administration recognizes numerous challenges in the coming years. Local government funds have been cut significantly at the state level and the City projects that it will lose more than \$1 million in revenue annually by 2014. Other major concerns include the large cost for health care, rising commodity costs, income demographics, high service demands, and an aging infrastructure. The City has explored several options that may provide the City with additional revenue. In 2012 the City entered into an agreement with Central State University to provide EMS and fire protection services. In 2013 the City contracted with two other entities to consolidate dispatch services. Other agreements are also in progress related to the center that is operated by the City. Other potential opportunities and partnerships continue to be explored and evaluated. While the City may pursue these other revenue generating initiatives, strong economic development is an absolute necessity.

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

The City's infrastructure is in need of great repair, and the passage of an income tax levy in 2010 to fund capital improvement projects began addressing those needs. The City has continued to maintain, review, and update yearly a five-year capital improvement program that provides a framework for the maintenance and expansion of the infrastructure to meet current and future needs. The City Council has taken a strong leadership role in this area to ensure that public infrastructures are maintained and will be in place to facilitate continuing economic development.

The City has continued an aggressive program to improve and increase services and to repair, replace and expand its public facilities, streets and utilities systems. The State's Issue II and Local Transportation Improvement Programs have helped to fund twenty-two (22) such projects totaling \$6,986,807 since their inception.

### **Relevant Financial Policies**

The City has a policy to maintain at least a two-month operating reserve in its key operating funds. It is also expected that the key operating funds have a positive cash flow. That is, operating revenues should exceed operating expenses in those funds. To comply with these expectations, management has taken action and made tough decisions including the elimination of several positions. These policies have allowed the City to meet all of its obligations, maintain a respectable bond rating, and sustain a balance that can be utilized in the case of emergency. In 2012 the City approved a new debt policy,

investment policy, and local preference ordinance. The City has a number of policies in place to ensure compliance with the City Charter and state law and to maintain adequate internal controls.

## **MAJOR INITIATIVES**

### **For the Year**

The City has continued to establish and work towards clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and City Staff. The goal and objective setting process drives the organization. It is a continuous cycle of reviewing short- and long-term goals, setting goals and objectives, evaluating the results, and reassessing short- and long-term goals and their priority. In preparing the 2013 budget, the City identified several major programs/projects needed to meet citizens' needs for cost effective services, to comply with applicable mandated federal and state requirements, and to maintain the City's infrastructure.

These programs/projects include:

- Approved economic impact analysis policy
- Began implementation of timekeeping, scheduling, and human resource software
- Awarded contract for bikepath repaving—Little Miami Scenic Trail
- Completed space needs analysis for new administration building and renovation of City Hall as Justice Center
- Awarded bid for wayfinding signage
- Awarded bid for engineering design for variable frequency drives at Water Treatment Plant
- Approved contract with ODOT for US42 and Ledbetter Road Intersection Improvements
- Awarded bid for annual street resurfacing program
- Approved X-Plan—Xenia's Comprehensive Plan
- Continued development of IT strategic plan
- Awarded console/radio bid for dispatch operation with changeover to MARCS (Multi-Agency Radio Communication System)
- Approved contract with the City of Bellbrook and Sugarcreek Township to provide dispatch services to those communities
- Purchased Hooven & Allison property for future development
- Awarded bid for trunk sewer replacement—Towler Road
- Citizens approved 3.5 mill renewal levy
- Awarded bid for Hooven & Allison environmental cleanup
- Approved economic development contract for economic development and marketing services

- Approved water tower lease agreement with local business
- Approved contract for professional services for health insurance program development

### **For the Future**

Xenia leaders commissioned a Comprehensive Plan update in order to build a shared vision with Xenia Citizens of how to make Xenia the best it can be. The resulting product – called X-Plan – envisions what Xenia will be like in 20 years and provides step-by-step directions on how to turn the vision into reality.

X-Plan replaces the 1997 Xenia Urban Service Area Land Use Plan as Xenia’s official growth and development policy. X-Plan augments and informs Xenia’s development regulations such as zoning and informs public and private decision making regarding the location and quality of future land use, development, and infrastructure investments. X-Plan also outlines strategies for economic development, downtown and neighborhood revitalization, and image improvement. X-Plan’s recommendations are directly linked to high-priority planning issues as enumerated, defined, and prioritized by residents and stakeholders.

In 2013 the City continued the development of an information technology strategic plan that seeks to align technology solutions and initiatives with City vision, goals, and objectives. The goal of this plan is to assess the organization’s technical resources and expenditures objectively, articulate a vision for information and technology, identify application and technology priorities, and define guiding principles for information and technology governance and decision making. The plan was presented to Council in February 2014.

The major projects planned for 2014 are to award a contract for Detroit/Kinsey Intersection Improvements; approve a contract with ODOT for US42/68 resurfacing project; complete Church to King streetscape improvements; award of bid for medic replacement; complete a Pavement Condition Index Study; award a contract for development of a Parks and Recreation Master Plan; award a contract for engineering design of a new City Administration Building and renovation of City Justice Center; award of bid for construction of new City Administration Building; approve the Information Technology Strategic Plan; complete fiber runs to Xenia Service Center and new City Admin Building; complete the wireless project at the water tower in the Industrial Park; award of bid for Core Router replacement; award a contract for a telecommunications study; award of bid for variable frequency drives at Water Treatment Plant; SCADA installation at Massie Creek Wellfield; continuation of sewer sliplining program; award of contract to continue landfill monitoring; continue catch basin rehabilitation program; completion of Hooven & Allison and Athletes in Action environmental remediation projects; complete Water Treatment Plant property acquisitions to ensure security and reliability of plant operations; complete the recreation study; work with Central State and Wilberforce Universities on economic development



activities and partnership agreements; begin electric/gas aggregation program; and begin revitalization effort at Xenia Towne Square.

## **AWARDS AND ACKNOWLEDGMENTS**

### **Awards**

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Xenia for its comprehensive annual financial report for the year ended December 31, 2012. This was the 30th consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The City also received special recognition from the Ohio House of Representatives and the Auditor of State for being presented the certificate of excellence for the 2011 Comprehensive Annual Financial Report.

### **Acknowledgments**

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

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

Respectfully submitted,



Mark A. Bazalak  
Finance Director

**CITY OF XENIA, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2013***

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**CITY COUNCIL**

|                 |                |
|-----------------|----------------|
| Michael Engle   | President      |
| Wesley Smith    | Vice President |
| Marsha Bayless  | Mayor          |
| Joshua Long     |                |
| Dale Louderback |                |
| John Caupp      |                |
| Jeanne Mills    |                |

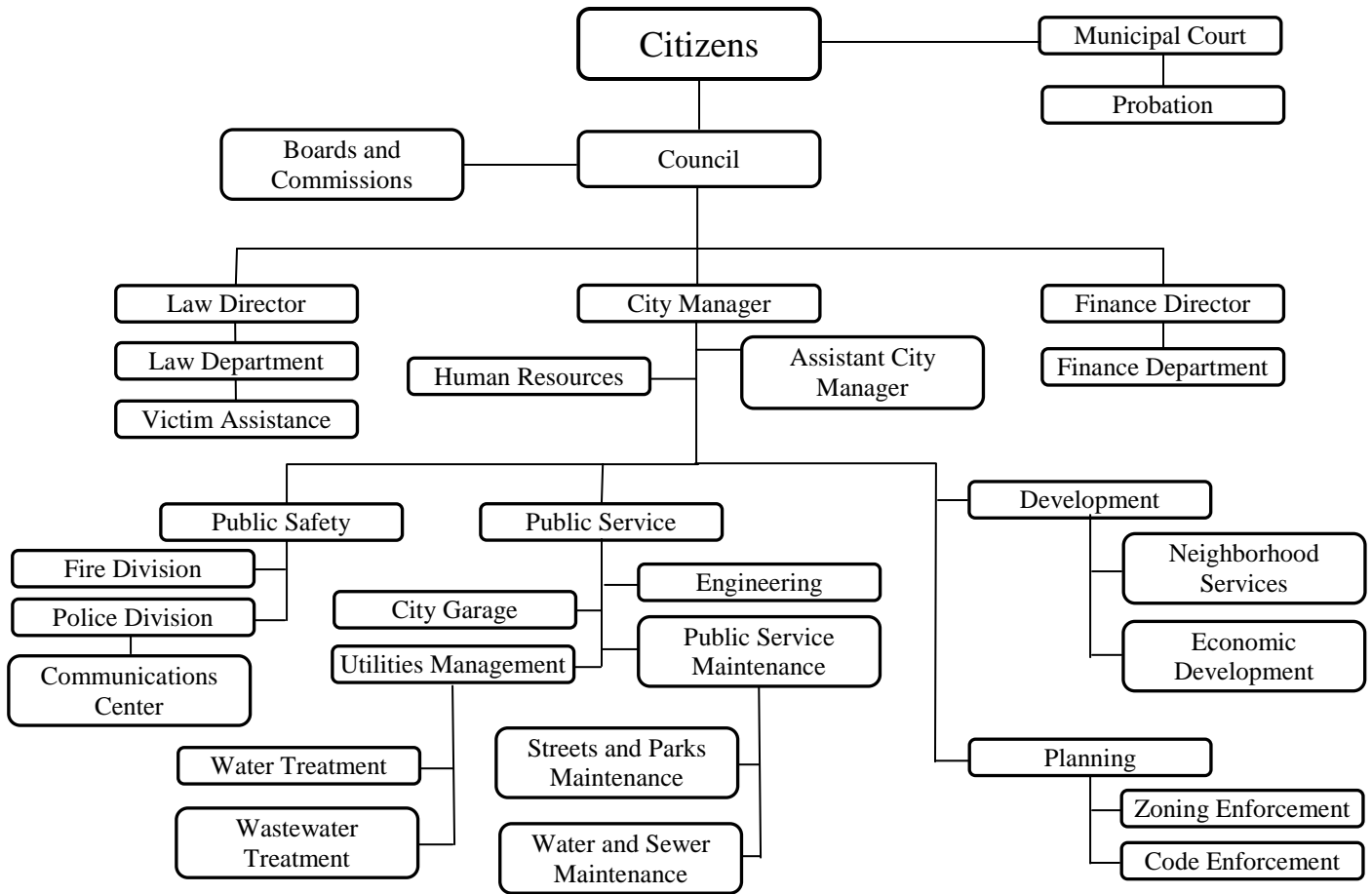
**APPOINTED OFFICIALS**

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

**DEPARTMENT OF FINANCE STAFF**

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

**CITY OF XENIA, OHIO**



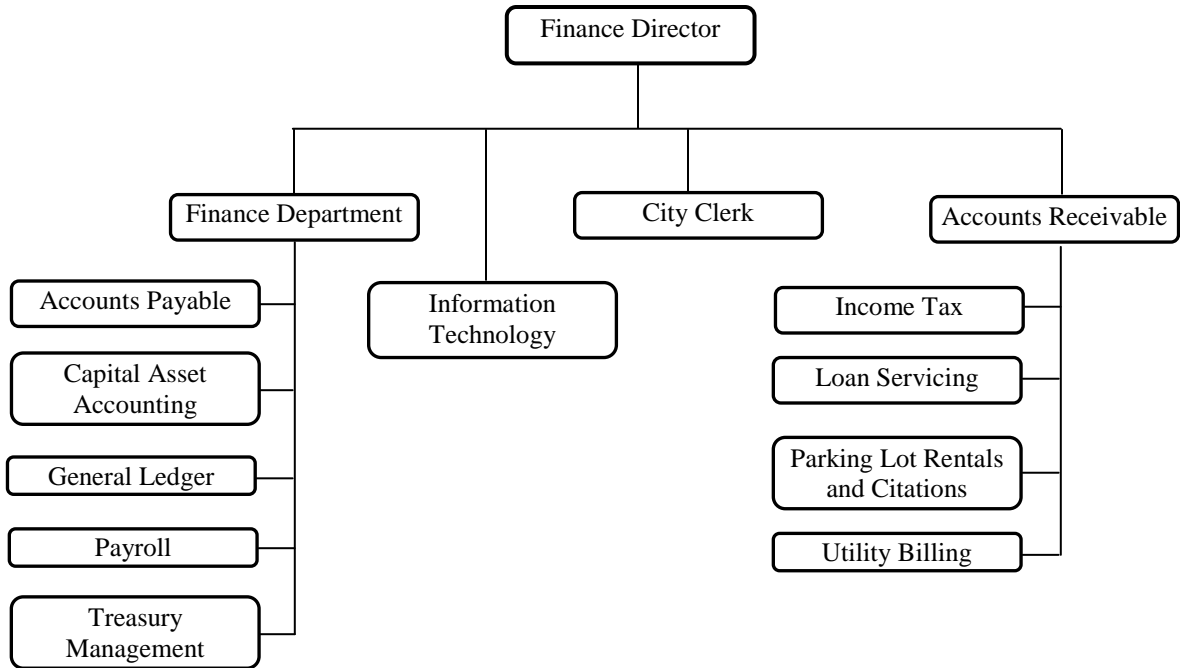
**Commissions**

- Records
- Traffic
- Civil Service
- Planning and Zoning

**Boards**

- Economic Development Advisory
- Loan Trust
- Tax Appeals
- Zoning Appeals
- Recreation, Arts & Cultural Activities

CITY OF XENIA, OHIO





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Xenia  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO



II

*FINANCIAL SECTION*







# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Xenia  
Greene County  
101 North Detroit Street  
Xenia, Ohio 45385-2996

To the Mayor and the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Xenia, Greene County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

City of Xenia  
Greene County  
Independent Auditor's Report  
Page 2

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Xenia, Greene County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, State Gas and Vehicle License, and Police and Fire Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, during the year ended December 31, 2013, the City adopted the provisions of Governmental Accounting Standard No. 65, *Items Previously Reported as Assets and Liabilities*. Additionally, as discussed in Note 4 to the financial statements, the January 1, 2013 net position was restated. We did not modify our opinion regarding these matters.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements and individual fund statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

City of Xenia  
Greene County  
Independent Auditor's Report  
Page 3

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 7, 2014



*Management's Discussion and Analysis  
For the Year Ended December 31, 2013*

*Unaudited*

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The discussion and analysis of the City of Xenia's (the City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

**Key financial highlights for 2013 are as follows:**

The total change in the net position of Xenia City was \$3,493,086. The net position of governmental activities increased \$2,572,573, which represents a 5.94% increase from 2012. The net position of business-type activities increased by \$920,513 or 2.77% from 2012.

General revenues accounted for \$16.4 million or 46.9% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$18.7 million or 53.1% of total revenues of \$35.2 million.

The net position of governmental activities increased by \$2,572,573 due in part to an increase in charges for services and intergovernmental revenues. Capital grant revenue increased significantly though it was offset by expenses related to the grant. Cash, Cash Equivalents, Cash with fiscal agents, and Investments increased by \$895,904, while capital assets increased \$2,122,171. The City's cash reserve has increased in each of the last three years. The governmental funds did record the additions of some major capital assets such as the improvement of twenty-one (21) streets, a fire pumper, a project that is in progress to upgrade the public safety radio systems, and two bike trail projects.

The City had \$22.1 million in expenses related to governmental activities; \$8.2 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16.4 million provided additional support for these programs.

The General Fund had \$9.3 million in revenues, \$3.5 million in expenditures and transfers to other funds of \$4.8 million. Due to the 2011 implementation of GASB 54, revenues and expenditures once recorded in a separate Recreation Fund are now reported in the General Fund. The General Fund balance increased from \$2,812,741 to \$3,801,205.

The net position for business-type activities increased \$920,513. The Water, Sewer, Sanitation, Storm Water, Loan, Parking Revenue, and Housing Rehabilitation Loan Funds all experienced increases in Net Position. The net position of the CDBG & UDAG Revolving Loan Fund decreased slightly. The Water, Sanitation, and Housing Rehabilitation Funds all experienced solid increases in 2013. Very little changed in the Water Fund from previous years, while the Sanitation Fund benefited from lower costs due to a new contract for refuse collection and disposal. The Sewer Fund disposed of large capital assets still having book value therefore negatively impacting its net position. Despite those disposals, the net position of the fund improved ever so slightly.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

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

### ***Government-Wide Financial Statements***

The government-wide financial statements report information about the City as a whole, using accepted methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide financial statements report the City's net position and how it has changed. Net-position is one way to measure the City's financial health or standing.

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

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

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

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

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

*Management's Discussion and Analysis  
For the Year Ended December 31, 2013*

*Unaudited*

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***Fund Financial Statements***

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

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

***Proprietary Funds*** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match with the exception of enterprise funds' share of internal service allocation on the business-type activities statements.

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

**CITY OF XENIA, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table shows a comparison of net position between 2013 and 2012:

|   | Governmental        | Restated                   | Business-type       | Business-type       | Total               | Total               |
|---|---------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|
|   | Activities          | Governmental<br>Activities | Activities          | Activities          |                     |                     |
|   | 2013                | 2012                       | 2013                | 2012                | 2013                | 2012                |
| Current and other assets                | \$18,446,968        | \$15,888,384               | \$14,309,930        | \$13,423,425        | \$32,756,898        | \$29,311,809        |
| Capital assets, net                     | 38,747,884          | 36,625,713                 | 29,381,896          | 30,250,352          | 68,129,780          | 66,876,065          |
| Total assets                            | <u>57,194,852</u>   | <u>52,514,097</u>          | <u>43,691,826</u>   | <u>43,673,777</u>   | <u>100,886,678</u>  | <u>96,187,874</u>   |
| Long-term debt outstanding              | 6,373,928           | 6,752,668                  | 8,701,699           | 9,386,066           | 15,075,627          | 16,138,734          |
| Other liabilities                       | 3,524,087           | 1,133,278                  | 795,473             | 1,013,570           | 4,319,560           | 2,146,848           |
| Total liabilities                       | <u>9,898,015</u>    | <u>7,885,946</u>           | <u>9,497,172</u>    | <u>10,399,636</u>   | <u>19,395,187</u>   | <u>18,285,582</u>   |
| Deferred Inflows of Resources           |                     |                            |                     |                     |                     |                     |
| Prop. Taxes levied for next fiscal year | 1,395,810           | 1,299,697                  | 0                   | 0                   | 1,395,810           | 1,299,697           |
| Total Deferred Inflows of Resources     | <u>1,395,810</u>    | <u>1,299,697</u>           | <u>0</u>            | <u>0</u>            | <u>1,395,810</u>    | <u>1,299,697</u>    |
| Net assets                              |                     |                            |                     |                     |                     |                     |
| Net investment in capital assets        | 35,558,378          | 34,504,785                 | 22,070,099          | 22,441,680          | 57,628,477          | 56,946,465          |
| Restricted                              | 5,567,144           | 2,662,779                  | 0                   | 170,077             | 5,567,144           | 2,832,856           |
| Unrestricted                            | 4,775,505           | 6,160,890                  | 12,124,555          | 10,662,384          | 16,900,060          | 16,823,274          |
| Total net assets                        | <u>\$45,901,027</u> | <u>\$43,328,454</u>        | <u>\$34,194,654</u> | <u>\$33,274,141</u> | <u>\$80,095,681</u> | <u>\$76,602,595</u> |



**CITY OF XENIA, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

Change in Net Position – The following table shows the changes in net position for the fiscal year 2013 compared to 2012:

|  | Governmental<br>Activities | Restated<br>Governmental<br>Activities | Business-type<br>Activities | Business-type<br>Activities | Total               | Total               |
|--|----------------------------|--|-----------------------------|-----------------------------|---------------------|---------------------|
|  | 2013                       | 2012                                   | 2013                        | 2012                        | 2013                | 2012                |
| <b>Revenues</b>  |                            |  |                             |                             |                     |                     |
| <b>Program Revenues</b>                                  |                            |  |                             |                             |                     |                     |
| Charges for services and sales                           | \$3,841,545                | \$3,568,498                            | \$10,370,318                | \$9,955,702                 | \$14,211,863        | \$13,524,200        |
| Operating grants and contributions                       | 542,524                    | 865,437                                | 126,156                     | 490,531                     | 668,680             | 1,355,968           |
| Capital grants and contributions                         | 3,786,699                  | 261,306                                | 11,100                      | 0                           | 3,797,799           | 261,306             |
| <b>General Revenues:</b>                                 |                            |  |                             |                             |                     |                     |
| Income taxes   | 11,732,328                 | 12,276,122                             | 0                           | 0                           | 11,732,328          | 12,276,122          |
| Other local taxes  | 40,137                     | 37,308                                 | 0                           | 0                           | 40,137              | 37,308              |
| Property Taxes   | 986,812                    | 1,807,780                              | 0                           | 0                           | 986,812             | 1,807,780           |
| Motor vehicle and gasoline taxes                         | 1,474,430                  | 1,225,059                              | 0                           | 0                           | 1,474,430           | 1,225,059           |
| Intergovernmental, unrestricted                          | 1,811,934                  | 1,283,809                              | 0                           | 0                           | 1,811,934           | 1,283,809           |
| Investment earnings                                      | 27,308                     | 38,295                                 | 0                           | 0                           | 27,308              | 38,295              |
| Miscellaneous  | 367,822                    | 329,715                                | 0                           | 0                           | 367,822             | 329,715             |
| <b>Total revenues</b>                                    | <b>24,611,539</b>          | <b>21,693,329</b>                      | <b>10,507,574</b>           | <b>10,446,233</b>           | <b>35,119,113</b>   | <b>32,139,562</b>   |
| <b>Expenses</b>  |                            |  |                             |                             |                     |                     |
| <b>Program Expenses</b>                                  |                            |  |                             |                             |                     |                     |
| General government                                       | 3,772,609                  | 3,567,483                              | 0                           | 0                           | 3,772,609           | 3,567,483           |
| Public safety  | 12,688,381                 | 12,526,166                             | 0                           | 0                           | 12,688,381          | 12,526,166          |
| Health   | 0                          | 0                                      | 0                           | 0                           | 0                   | 0                   |
| Highways and streets                                     | 1,970,034                  | 2,057,537                              | 0                           | 0                           | 1,970,034           | 2,057,537           |
| Urban Redevelopment & Housing                            | 106,727                    | 112,822                                | 0                           | 0                           | 106,727             | 112,822             |
| Economic Development & Assistance                        | 2,960,546                  | 3,214,435                              | 0                           | 0                           | 2,960,546           | 3,214,435           |
| Recreation   | 541,390                    | 527,634                                | 0                           | 0                           | 541,390             | 527,634             |
| <b>Debt service:</b>                                     |                            |  |                             |                             |                     |                     |
| Interest and fiscal charges                              | 62,446                     | 69,614                                 | 0                           | 0                           | 62,446              | 69,614              |
| Water  | 0                          | 0                                      | 3,267,639                   | 3,907,856                   | 3,267,639           | 3,907,856           |
| Sewer  | 0                          | 0                                      | 4,340,898                   | 4,030,678                   | 4,340,898           | 4,030,678           |
| Sanitation   | 0                          | 0                                      | 1,474,330                   | 1,674,999                   | 1,474,330           | 1,674,999           |
| Storm Water  | 0                          | 0                                      | 350,114                     | 339,906                     | 350,114             | 339,906             |
| Other enterprise funds                                   | 0                          | 0                                      | 90,913                      | 288,049                     | 90,913              | 288,049             |
| <b>Total expenses</b>                                    | <b>22,102,133</b>          | <b>22,075,691</b>                      | <b>9,523,894</b>            | <b>10,241,488</b>           | <b>31,626,027</b>   | <b>32,317,179</b>   |
| <b>Total change in net position<br/>before transfers</b> | <b>2,509,406</b>           | <b>(382,362)</b>                       | <b>983,680</b>              | <b>204,745</b>              | <b>3,493,086</b>    | <b>(177,617)</b>    |
| Transfers  | 63,167                     | (878,636)                              | (63,167)                    | 878,636                     | 0                   | 0                   |
| <b>Total change in net position</b>                      | <b>2,572,573</b>           | <b>(1,260,998)</b>                     | <b>920,513</b>              | <b>1,083,381</b>            | <b>3,493,086</b>    | <b>(177,617)</b>    |
| Beginning net position                                   | 43,328,454                 | 44,589,452                             | 33,274,141                  | 32,190,760                  | 76,602,595          | 76,780,212          |
| <b>Ending net position</b>                               | <b>\$45,901,027</b>        | <b>\$43,328,454</b>                    | <b>\$34,194,654</b>         | <b>\$33,274,141</b>         | <b>\$80,095,681</b> | <b>\$76,602,595</b> |

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

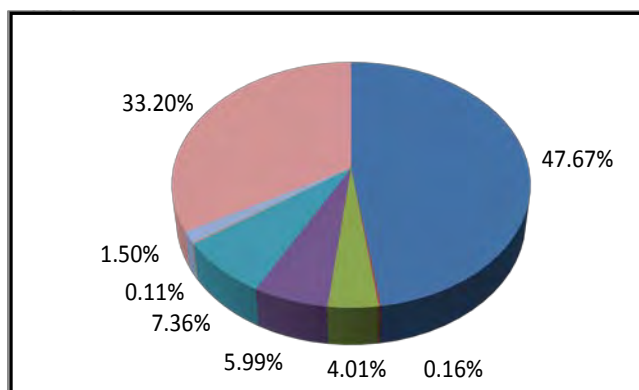
***Governmental Activities***

Net position of the City's governmental activities increased by \$2,572,573. Charges for service increased due in part to new contracts that were negotiated for dispatching services. Income taxes and property taxes decreased while intergovernmental revenues and motor vehicles and gasoline taxes increased. The most significant change in revenues was related to a capital grant project to remediate issues at an old industrial site. Operating expenses remained fairly consistent.

The City receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation and on net profits earned from those living or working within the City.

Property taxes and income taxes made up 4.01% and 47.67% of revenues for governmental activities, respectively, for the City in fiscal year 2013. The City relies heavily on tax revenue for operations. Program revenues were inflated in 2013 due to a large grant project by which the City has worked to remediate environmental issues at an old industrial site.

| Revenue Sources                  | 2013                | Percent<br>of Total |
|----------------------------------|---------------------|---------------------|
| Municipal income taxes           | \$11,732,328        | 47.67%              |
| Other local taxes                | 40,137              | 0.16%               |
| Property taxes                   | 986,812             | 4.01%               |
| Motor vehicle and gas taxes      | 1,474,430           | 5.99%               |
| Intergovernmental , unrestricted | 1,811,934           | 7.36%               |
| Investment earnings              | 27,308              | 0.11%               |
| Miscellaneous                    | 367,822             | 1.50%               |
| Program revenues                 | 8,170,768           | 33.20%              |
| Total Revenue                    | <u>\$24,611,539</u> | <u>100.00%</u>      |



***Business-Type Activities***

Net position of the business-type activities increased by \$920,513. The most substantial increase was in the Sanitation Fund, where the cost for refuse collection and disposal decreased from previous years. This was the result of a new contract being negotiated in 2013. The Water Fund's operating expenses decreased while the operating revenues increased slightly resulting in a fairly large increase in net position. Changes in the net position of the Sewer and Stormsewer Funds were insignificant. There was continued activity in the Housing Rehabilitation Fund due to grant programs that increased the net position in that fund. All other nonmajor enterprise funds had insignificant changes in net position.

**CITY OF XENIA, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$10,161,034, which is a decrease from last year's balance of \$10,476,596. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2013 and 2012:

|                               | Fund Balance<br>December 31, 2013 | Fund Balance<br>December 31, 2012 | Increase<br>(Decrease) |
|-------------------------------|-----------------------------------|-----------------------------------|------------------------|
| General                       | \$3,801,205                       | \$2,812,741                       | \$988,464              |
| State Gas and Vehicle License | 474,053                           | 504,139                           | (30,086)               |
| Police & Fire Fund            | 2,101,373                         | 2,450,708                         | (349,335)              |
| Capital Improvements          | 1,011,488                         | 2,130,590                         | (1,119,102)            |
| Other Governmental            | 2,772,915                         | 2,578,418                         | 194,497                |
| <b>Total</b>                  | <b>\$10,161,034</b>               | <b>\$10,476,596</b>               | <b>(\$315,562)</b>     |

*General Fund – Revenues:* General Fund revenues in 2013 increased approximately 7.3% compared to revenues in fiscal year 2012 as shown in the chart below. While income taxes, property taxes, and local government revenue from the state grew, charges for services, fines, costs, forfeitures, and miscellaneous receipts were down.

|   | 2013<br>Revenues   | 2012<br>Revenues   | Increase<br>(Decrease) |
|---|--------------------|--------------------|------------------------|
| Municipal Income Taxes                                | \$5,166,782        | \$5,114,701        | \$52,081               |
| Other Local Taxes                                     | 1,193,200          | 882,488            | 310,712                |
| State Shared taxes and permits                        | 1,548,103          | 1,196,980          | 351,123                |
| Intergovernmental grants                              | 0                  | 0                  | 0                      |
| Charges for services                                  | 20,422             | 33,694             | (13,272)               |
| Fines, costs, forfeitures,<br>Licenses and permits    | 972,845            | 1,025,997          | (53,152)               |
| Miscellaneous receipts<br>including interest earnings | 433,322            | 442,453            | (9,131)                |
| <b>Total</b>  | <b>\$9,334,674</b> | <b>\$8,696,313</b> | <b>\$638,361</b>       |

**CITY OF XENIA, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

*General Fund – Expenditures:* General Fund expenditures increased by \$90,877 over the prior year. The increase is related to economic development & assistance expenditures for personnel costs that were previously recorded in a different fund, and a contract entered into with a consultant to aid in economic development efforts. Other expense fluctuations in the fund were typical and insignificant.

|                                   | 2013<br>Expenditures | 2012<br>Expenditures | Increase<br>(Decrease) |
|-----------------------------------|----------------------|----------------------|------------------------|
| General Government                | \$2,768,622          | \$2,804,192          | (\$35,570)             |
| Public Safety                     | 99,695               | 112,895              | (13,200)               |
| Highways and Streets              | 235,175              | 242,998              | (7,823)                |
| Urban Redevelopment & Housing     | 82,763               | 84,578               | (1,815)                |
| Economic Development & Assistance | 166,592              | 18,084               | 148,508                |
| Recreation                        | 166,868              | 166,091              | 777                    |
| Total                             | \$3,519,715          | \$3,428,838          | \$90,877               |

*Capital Improvement Fund –* The City's General Capital Improvement Fund revenues increased by \$2,518,494 compared to 2012. The increase can be attributed primarily to grant funds for the remediation of environmental issues at an old industrial site.

|  | 2013<br>Revenues | 2012<br>Revenues | Increase<br>(Decrease) |
|--|------------------|------------------|------------------------|
| Income Taxes                                       | \$1,283,161      | \$1,296,994      | (\$13,833)             |
| Other Local Taxes                                  | 40,137           | 37,308           | 2,829                  |
| Intergovernmental Grants                           | 3,034,956        | 525,004          | 2,509,952              |
| Charges for Services                               | 625              | 100              | 525                    |
| Fines, Costs, Forfeitures, Licenses and Permits    | 0                | 0                | 0                      |
| Miscellaneous Receipts including interest earnings | 83,194           | 64,173           | 19,021                 |
|  | \$4,442,073      | \$1,923,579      | \$2,518,494            |

Capital Improvement Fund expenditures increased by \$3,257,409 in 2013. The major factor was again the project to remediate environmental issues at an old industrial site.

|                           | 2013<br>Expenditures | 2012<br>Expenditures | Increase<br>(Decrease) |
|---------------------------|----------------------|----------------------|------------------------|
| Capital Outlay            | \$5,392,019          | \$2,114,645          | \$3,277,374            |
| Debt Service:             |                      |                      |                        |
| Principal retirement      | 146,818              | 161,101              | (14,283)               |
| Interest & Fiscal Charges | 22,338               | 28,020               | (5,682)                |
|                           | \$5,561,175          | \$2,303,766          | \$3,257,409            |

The primary funding sources for the Capital Improvement Fund are income tax revenue and Intergovernmental grants. In better rate environments, interest earnings are another significant source of revenue for the fund.

**CITY OF XENIA, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

*Enterprise Funds* – The City's Enterprise Funds reported a net position balance of \$34,075,583, which is an increase from last year's balance of \$33,205,632. The schedule below indicates the net position balance and the total change in net position by activity as of December 31, 2013 and 2012. The change in net position in the Enterprise Funds was an increase of 2.62%.

|                  | Net Position Balance<br>December 31, 2013 | Net Position Balance<br>December 31, 2012 | Increase<br>(Decrease) |
|------------------|---|---|------------------------|
| Water            | \$12,554,711                              | \$12,304,125                              | \$250,586              |
| Sewer            | 11,145,722                                | 11,103,916                                | 41,806                 |
| Sanitation       | 1,862,455                                 | 1,393,673                                 | 468,782                |
| Storm Water      | 6,473,076                                 | 6,443,959                                 | 29,117                 |
| Other Enterprise | 2,039,619                                 | 1,959,959                                 | 79,660                 |
| <b>Total</b>     | <b>\$34,075,583</b>                       | <b>\$33,205,632</b>                       | <b>\$869,951</b>       |

Water and sewer operating and non-operating revenues and expenditures are shown below:

|                        | Water              |                    |                        | Sewer              |                    |                        |
|------------------------|--------------------|--------------------|------------------------|--------------------|--------------------|------------------------|
|                        | 2013               | 2012               | Increase<br>(Decrease) | 2013               | 2012               | Increase<br>(Decrease) |
| Operating Revenues     | \$3,469,672        | \$3,256,364        | \$213,308              | \$4,310,939        | \$4,160,752        | \$150,187              |
| Non-Operating Revenues | 63,652             | 65,572             | (1,920)                | 84,315             | 128,436            | (44,121)               |
| <b>Total</b>           | <b>\$3,533,324</b> | <b>\$3,321,936</b> | <b>\$211,388</b>       | <b>\$4,395,254</b> | <b>\$4,289,188</b> | <b>\$106,066</b>       |
| Operating Expenses     | \$3,253,939        | \$3,865,614        | (\$611,675)            | \$3,731,655        | \$3,835,235        | (\$103,580)            |
| Non-Operating Expenses | 28,799             | 31,311             | (2,512)                | 623,026            | 185,994            | 437,032                |
| <b>Total</b>           | <b>\$3,282,738</b> | <b>\$3,896,925</b> | <b>(\$614,187)</b>     | <b>\$4,354,681</b> | <b>\$4,021,229</b> | <b>\$333,452</b>       |

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

For the General Fund, final budget basis revenue of \$9.41 million increased \$600,000 over the original budget estimates of \$8.81 million. This change was related to estate tax revenue that exceeded original estimates. The final budgeted expenditures of \$4 million increased \$265,032 compared to original appropriations of \$3.74 million. The majority of the increase was related to economic development services that were contracted for in 2013, wildlife management services, and the City's match for a grant program funding the demolition of vacant and blighted housing. The City budgeted transfers of \$6,575,000 in the original budget and adjusted that number by only \$26,670 in the final budget. Transfers were made from the General Fund to several other funds to cover operating costs. The most significant transfer was to the Police and Fire Fund in an amount that equaled \$4.5 million. Transfers were also made to the Probation Services Fund and the Victim Witness Fund to cover operating costs. Advances budgeted increased \$1,000,000 from the original to the final. This advance was budgeted to offset costs in the General Capital Improvement Fund related to the cleanup of the old Hooven & Allison site in the case that timing issues occurred between expenditures, grant reimbursements, and the sale of the property. That loan was never required and therefore not made. The largest variance among revenues between final budget amounts and actual revenues was in State shared taxes and permits. State shared taxes were down because electric light tax and phone tax revenues came in far less than what was projected.

**CITY OF XENIA, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2013 the City had \$68,129,780 net of accumulated depreciation invested in land, land improvements, construction in progress, buildings & improvements, machinery & equipment, and infrastructure. Of this total, \$38,747,884 was related to governmental activities, and \$29,381,896 was related to business-type activities. The following table shows fiscal year 2013 and 2012 balances:

|                                | Governmental<br>Activities  |              | Increase<br>(Decrease) |
|--------------------------------|-----------------------------|--------------|------------------------|
|                                | 2013                        | 2012         |                        |
| Land                           | \$16,203,413                | \$16,203,413 | \$0                    |
| Land Improvements              | 3,007,302                   | 2,245,194    | 762,108                |
| Buildings and Improvements     | 7,983,986                   | 7,894,904    | 89,082                 |
| Machinery and Equipment        | 9,894,332                   | 8,943,110    | 951,222                |
| Infrastructure                 | 16,743,933                  | 16,285,036   | 458,897                |
| Construction In Progress       | 1,583,156                   | 752,822      | 830,334                |
| Less: Accumulated Depreciation | (16,668,238)                | (15,698,766) | (969,472)              |
| Total                          | \$38,747,884                | \$36,625,713 | \$2,122,171            |
|                                |                             |              |                        |
|                                | Business-Type<br>Activities |              | Increase<br>(Decrease) |
|                                | 2013                        | 2012         |                        |
| Land                           | \$484,280                   | \$484,280    | \$0                    |
| Land Improvements              | 835,143                     | 574,767      | 260,376                |
| Buildings and Improvements     | 10,487,145                  | 9,852,145    | 635,000                |
| Machinery and Equipment        | 55,253,627                  | 54,582,552   | 671,075                |
| Construction In Progress       | 929,957                     | 2,368,404    | (1,438,447)            |
| Less: Accumulated Depreciation | (38,608,256)                | (37,611,796) | (996,460)              |
| Total                          | \$29,381,896                | \$30,250,352 | (\$868,456)            |

There was a significant increase in governmental activities' capital assets. The increase can be attributed primarily to the purchase of a new fire pumper, and an upgrade to the City dispatch center including radios and consoles. There was a decrease in asset value in Business-type activities, which for the most part can be attributed to the demolition and replacement of buildings and systems at one of the City's two sewer plants. A portion of those buildings and systems still had a significant book value at disposal. There was also a transfer of assets having fairly significant value from enterprise funds into governmental funds.

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2013***

***Unaudited***

**Debt**

At December 31, 2013, the City had \$1,577,159 in bonds outstanding, \$201,621 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2013 and 2012:

|                                  | 2013                | 2012                |
|----------------------------------|---------------------|---------------------|
| Governmental Activities:         |                     |                     |
| General Obligation Bonds         | \$1,478,916         | \$1,642,248         |
| Capital Leases Payable           | 1,610,590           | 478,680             |
| Local Government Innovation Fund | 100,000             | 0                   |
| Pollution Remediation            | 1,253,895           | 2,746,076           |
| Compensated Absences             | 1,930,527           | 1,885,664           |
| Total Governmental Activities    | 6,373,928           | 6,752,668           |
| Business-Type Activities:        |                     |                     |
| General Obligation Bonds         | 98,243              | 109,383             |
| Landfill Liability               | 869,827             | 934,435             |
| Compensated Absences             | 519,835             | 472,882             |
| Capital Leases Payable           | 1,207,514           | 1,314,314           |
| Loans Payable                    | 6,006,280           | 6,555,052           |
| Total Business-Type Activities   | 8,701,699           | 9,386,066           |
|                                  | <b>\$15,075,627</b> | <b>\$16,138,734</b> |

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2013, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 14, 15, 16, and 17.

**REQUESTS FOR INFORMATION**

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

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 Email: [mbazalak@ci.xenia.oh.us](mailto:mbazalak@ci.xenia.oh.us)  
 Phone: 937-376-7236  
 Fax: 937-374-1818



## CITY OF XENIA, OHIO

### STATEMENT OF NET POSITION DECEMBER 31, 2013

|   | <u>Primary Government</u>          |                                     | <u>Total</u>         |
|---|------------------------------------|-------------------------------------|----------------------|
|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |                      |
| <b>Assets:</b>                                  |                                    |                                     |                      |
| Cash and cash equivalents                       | \$ 2,395,259                       | \$ 3,057,958                        | \$ 5,453,217         |
| Cash with fiscal agent                          | 470,866                            | 0                                   | 470,866              |
| Investments                                     | 6,488,117                          | 8,283,281                           | 14,771,398           |
| Receivables:                                    |                                    |                                     |                      |
| Taxes, including interest, penalties and liens  | 4,884,221                          | 0                                   | 4,884,221            |
| Intergovernmental                               | 1,594,820                          | 0                                   | 1,594,820            |
| Accounts  | 1,112,919                          | 1,360,006                           | 2,472,925            |
| Special assessments, including liens            | 164,530                            | 56,768                              | 221,298              |
| Loans   | 0                                  | 1,174,138                           | 1,174,138            |
| Accrued interest                                | 11,701                             | 14,467                              | 26,168               |
| Grants  | 1,511,965                          | 43,550                              | 1,555,515            |
| Allowance for uncollectible accounts            | (503,336)                          | (33,916)                            | (537,252)            |
| Interfund balances                              | (32,875)                           | 32,875                              | 0                    |
| Inventories                                     | 174,964                            | 271,571                             | 446,535              |
| Prepaid items                                   | 173,817                            | 49,232                              | 223,049              |
| Capital Assets Not being depreciated            | 17,786,569                         | 1,414,237                           | 19,200,806           |
| Capital Assets, net of accumulated depreciation | <u>20,961,315</u>                  | <u>27,967,659</u>                   | <u>48,928,974</u>    |
| <b>Total Assets</b>                             | <u>57,194,852</u>                  | <u>43,691,826</u>                   | <u>100,886,678</u>   |
| <b>Liabilities:</b>                             |                                    |                                     |                      |
| Accounts payable                                | 2,649,552                          | 508,512                             | 3,158,064            |
| Accrued payroll                                 | 857,134                            | 261,079                             | 1,118,213            |
| Accrued interest payable                        | 17,401                             | 25,882                              | 43,283               |
| Long-term liabilities:                          |                                    |                                     |                      |
| Amounts due within one year                     | 1,913,578                          | 924,646                             | 2,838,224            |
| Amounts due in more than one year               | <u>4,460,350</u>                   | <u>7,777,053</u>                    | <u>12,237,403</u>    |
| <b>Total Liabilities</b>                        | <u>9,898,015</u>                   | <u>9,497,172</u>                    | <u>19,395,187</u>    |
| <b>Deferred Inflows of Resources</b>            |                                    |                                     |                      |
| Property Taxes Levied for the Next Fiscal Year  | <u>1,395,810</u>                   | <u>0</u>                            | <u>1,395,810</u>     |
| <b>Total Deferred Inflows of Resources</b>      | <u>1,395,810</u>                   | <u>0</u>                            | <u>1,395,810</u>     |
| <b>Net Position:</b>                            |                                    |                                     |                      |
| Net Investment in Capital Assets                | 35,558,378                         | 22,070,099                          | 57,628,477           |
| Restricted For:                                 |                                    |                                     |                      |
| Capital Projects                                | 905,267                            | 0                                   | 905,267              |
| Debt Service                                    | 106,526                            | 0                                   | 106,526              |
| General government programs                     | 66,456                             | 0                                   | 66,456               |
| Safety programs                                 | 2,764,421                          | 0                                   | 2,764,421            |
| Street construction/maintenance                 | 1,724,474                          | 0                                   | 1,724,474            |
| Unrestricted (Deficit)                          | <u>4,775,505</u>                   | <u>12,124,555</u>                   | <u>16,900,060</u>    |
| <b>Total Net Position</b>                       | <u>\$ 45,901,027</u>               | <u>\$ 34,194,654</u>                | <u>\$ 80,095,681</u> |

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                       | Expenses             | Charges for<br>Services and<br>Sales | Program Revenues<br>Operating Grants<br>and<br>Contributions | Capital Grants<br>and<br>Contributions |
|---------------------------------------|----------------------|--------------------------------------|--|--|
| <b>Primary Government:</b>            |                      |                                      |  |  |
| <b>Governmental Activities:</b>       |                      |                                      |  |  |
| Current:                              |                      |                                      |  |  |
| General government                    | \$ 3,772,609         | \$ 1,497,509                         | \$ 182,162   | \$ 390,276                             |
| Public safety                         | 12,688,381           | 2,338,853                            | 360,362  | 0                                      |
| Highways and streets                  | 1,970,034            | 1,138                                | 0  | 0                                      |
| Urban Redevelopment & Housing         | 106,727              | 0                                    | 0  | 0                                      |
| Economic Development & Assistance     | 2,960,546            | 0                                    | 0  | 3,242,463                              |
| Recreation                            | 541,390              | 4,045                                | 0  | 153,960                                |
| Debt service:                         |                      |                                      |  |  |
| Interest and fiscal charges           | 62,446               | 0                                    | 0  | 0                                      |
| <b>Total Governmental Activities</b>  | <b>22,102,133</b>    | <b>3,841,545</b>                     | <b>542,524</b>   | <b>3,786,699</b>                       |
| <b>Business-Type Activities:</b>      |                      |                                      |  |  |
| Water                                 | 3,267,639            | 3,533,324                            | 0  | 0                                      |
| Sewer                                 | 4,340,898            | 4,384,154                            | 0  | 11,100                                 |
| Sanitation                            | 1,474,330            | 1,954,056                            | 0  | 0                                      |
| Storm Water                           | 350,114              | 337,467                              | 0  | 0                                      |
| Loan                                  | 3,469                | 10,912                               | 0  | 0                                      |
| Parking Revenue                       | 51,441               | 65,840                               | 0  | 0                                      |
| CDBG and UDAG Revolving Loan          | 21,369               | 19                                   | 100,527  | 0                                      |
| Housing Rehabilitation Loan           | 14,634               | 84,546                               | 25,629   | 0                                      |
| <b>Total Business-Type Activities</b> | <b>9,523,894</b>     | <b>10,370,318</b>                    | <b>126,156</b>   | <b>11,100</b>                          |
| <b>Total primary government</b>       | <b>\$ 31,626,027</b> | <b>\$ 14,211,863</b>                 | <b>\$ 668,680</b>  | <b>\$ 3,797,799</b>                    |

**General Revenues:**

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

**Transfers**

Total General Revenues and Transfers  
  
Change in Net Position  
  
Net Position Beginning of Year (Restated)  
  
Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

| Net (Expense) Revenue<br>and Changes in Net Position |                             |                 |
|--|-----------------------------|-----------------|
| Governmental<br>Activities                           | Business-Type<br>Activities | Total           |
| \$ (1,702,662)                                       | \$ 0                        | \$ (1,702,662)  |
| (9,989,166)  | 0                           | (9,989,166)     |
| (1,968,896)  | 0                           | (1,968,896)     |
| (106,727)  | 0                           | (106,727)       |
| 281,917  | 0                           | 281,917         |
| (383,385)  | 0                           | (383,385)       |
| (62,446)   | 0                           | (62,446)        |
| (13,931,365)   | 0                           | (13,931,365)    |
| 0  | 265,685                     | 265,685         |
| 0  | 54,356                      | 54,356          |
| 0  | 479,726                     | 479,726         |
| 0  | (12,647)                    | (12,647)        |
| 0  | 7,443                       | 7,443           |
| 0  | 14,399                      | 14,399          |
| 0  | 79,177                      | 79,177          |
| 0  | 95,541                      | 95,541          |
| 0  | 983,680                     | 983,680         |
| \$ (13,931,365)                                      | \$ 983,680                  | \$ (12,947,685) |
| \$ 11,732,328  | \$ 0                        | \$ 11,732,328   |
| 40,137   | 0                           | 40,137          |
| 986,812  | 0                           | 986,812         |
| 1,474,430  | 0                           | 1,474,430       |
| 1,811,934  | 0                           | 1,811,934       |
| 27,308   | 0                           | 27,308          |
| 367,822  | 0                           | 367,822         |
| 63,167   | (63,167)                    | 0               |
| 16,503,938   | (63,167)                    | 16,440,771      |
| 2,572,573  | 920,513                     | 3,493,086       |
| 43,328,454   | 33,274,141                  | 76,602,595      |
| \$ 45,901,027  | \$ 34,194,654               | \$ 80,095,681   |

## CITY OF XENIA, OHIO

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2013**

|   | General             | State Gas and<br>Vehicle License | Police & Fire<br>Fund |
|---|---------------------|----------------------------------|-----------------------|
| <b>Assets:</b>  |                     |                                  |                       |
| Cash and cash equivalents                                     | \$ 812,674          | \$ 62,809                        | \$ 392,644            |
| Cash with fiscal agent  | 0                   | 0                                | 470,866               |
| Investments   | 2,201,320           | 170,133                          | 1,063,576             |
| Receivables:  |                     |                                  |                       |
| Taxes, including interest, penalties and liens                | 2,716,601           | 0                                | 1,695,484             |
| Intergovernmental   | 498,551             | 511,265                          | 4,782                 |
| Accounts  | 72,946              | 0                                | 1,013,447             |
| Special assessments, including liens                          | 164,530             | 0                                | 0                     |
| Accrued interest  | 0                   | 331                              | 2,322                 |
| Grants  | 0                   | 0                                | 112,069               |
| Allowance for uncollectible accounts                          | (149,901)           | 0                                | (353,435)             |
| Interfund Receivable  | 0                   | 0                                | 0                     |
| Inventories   | 2,769               | 100,868                          | 0                     |
| Prepaid items   | 49,223              | 3,786                            | 44,542                |
| <b>Total Assets</b>   | <b>\$ 6,368,713</b> | <b>\$ 849,192</b>                | <b>\$ 4,446,297</b>   |
| <b>Liabilities:</b>   |                     |                                  |                       |
| Accounts payable  | \$ 67,089           | \$ 6,595                         | \$ 596,094            |
| Accrued payroll   | 149,307             | 48,998                           | 666,388               |
| <b>Total Liabilities</b>                                      | <b>216,396</b>      | <b>55,593</b>                    | <b>1,262,482</b>      |
| <b>Deferred Inflows of Resources</b>                          |                     |                                  |                       |
| Property Taxes Levied for the Next Fiscal Year                | 1,134,238           | 0                                | 171,179               |
| Delinquent Property Tax Revenue Unavailable                   | 86,971              | 0                                | 14,502                |
| Unavailable Revenue - Other                                   | 1,129,903           | 319,546                          | 896,761               |
| <b>Total Deferred Inflows of Resources</b>                    | <b>2,351,112</b>    | <b>319,546</b>                   | <b>1,082,442</b>      |
| <b>Fund Balances:</b>   |                     |                                  |                       |
| Nonspendable Fund Balance                                     |                     |                                  |                       |
| Inventories   | 2,769               | 100,868                          | 0                     |
| Prepaid items   | 49,223              | 3,786                            | 44,542                |
| Restricted Fund Balance                                       | 0                   | 369,399                          | 2,056,831             |
| Committed Fund Balance  | 0                   | 0                                | 0                     |
| Assigned Fund Balance   | 240,208             | 0                                | 0                     |
| Unassigned Fund Balance                                       | 3,509,005           | 0                                | 0                     |
| <b>Total Fund Balances</b>                                    | <b>3,801,205</b>    | <b>474,053</b>                   | <b>2,101,373</b>      |
| <b>Total Liabilities, Deferred Inflows, and Fund Balances</b> | <b>\$ 6,368,713</b> | <b>\$ 849,192</b>                | <b>\$ 4,446,297</b>   |

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

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| <u>Capital<br/>Improvements</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------|---|---|
| \$ 440,280                      | \$ 670,308                              | \$ 2,378,715                            |
| 0                               | 0                                       | 470,866                                 |
| 1,192,592                       | 1,815,683                               | 6,443,304                               |
| 376,909                         | 95,227                                  | 4,884,221                               |
| 0                               | 580,222                                 | 1,594,820                               |
| 0                               | 17,870                                  | 1,104,263                               |
| 0                               | 0                                       | 164,530                                 |
| 5,984                           | 3,064                                   | 11,701                                  |
| 1,378,895                       | 21,001                                  | 1,511,965                               |
| 0                               | 0                                       | (503,336)                               |
| 59,915                          | 0                                       | 59,915                                  |
| 0                               | 0                                       | 103,637                                 |
| 0                               | 72,197                                  | 169,748                                 |
| <u>\$ 3,454,575</u>             | <u>\$ 3,275,572</u>                     | <u>\$ 18,394,349</u>                    |
| <br>                            |   |   |
| \$ 1,891,001                    | \$ 51,408                               | \$ 2,612,187                            |
| 0                               | 36,856                                  | 901,549                                 |
| <u>1,891,001</u>                | <u>88,264</u>                           | <u>3,513,736</u>                        |
| <br>                            |   |   |
| 0                               | 90,393                                  | 1,395,810                               |
| 0                               | 4,834                                   | 106,307                                 |
| 552,086                         | 319,166                                 | 3,217,462                               |
| <u>552,086</u>                  | <u>414,393</u>                          | <u>4,719,579</u>                        |
| <br>                            |   |   |
| 0                               | 0                                       | 103,637                                 |
| 0                               | 72,197                                  | 169,748                                 |
| 1,011,488                       | 2,481,548                               | 5,919,266                               |
| 0                               | 219,170                                 | 219,170                                 |
| 0                               | 0                                       | 240,208                                 |
| 0                               | 0                                       | 3,509,005                               |
| <u>1,011,488</u>                | <u>2,772,915</u>                        | <u>10,161,034</u>                       |
| <u>\$ 3,454,575</u>             | <u>\$ 3,275,572</u>                     | <u>\$ 18,394,349</u>                    |

**CITY OF XENIA, OHIO**

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***Reconciliation of Total Governmental Fund Balances  
To Net Position of Governmental Activities  
December 31, 2013***

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**Total Governmental Fund Balances** \$ 10,161,034

***Amounts Reported for Governmental activities in the statement of net position are different because:***

Capital Assets used in Governmental Activities are not resources and therefore are not reported in the funds. 38,675,334

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 3,323,769

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (6,319,769)

The City Garage internal service fund is used by management to charge the costs of vehicle maintenance to individual departments. The asset and liabilities of the City Garage fund are allocated between the governmental and business-type activities in the statement of net position. This is the amount that applies to the governmental activities. 60,659

***Net position of Governmental Activities*** \$ 45,901,027

See accompanying notes to the basic financial statements.



**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | General             | State Gas and<br>Vehicle License | Police & Fire<br>Fund |
|--|---------------------|----------------------------------|-----------------------|
|  | <u>          </u>   | <u>          </u>                | <u>          </u>     |
| <b>Revenues:</b>   |                     |                                  |                       |
| Municipal income tax   | \$ 5,166,782        | \$ 0                             | \$ 5,132,644          |
| Other local taxes  | 1,193,200           | 0                                | 106,826               |
| State shared taxes and permits                                   | 1,548,103           | 949,734                          | 33,602                |
| Intergovernmental grants   | 0                   | 0                                | 313,555               |
| Charges for services   | 20,422              | 1,030                            | 1,881,822             |
| Fines, costs, forfeitures, licenses and permits                  | 972,845             | 0                                | 8,847                 |
| Miscellaneous receipts and reimbursements,<br>including interest | 433,322             | 14,315                           | 178,317               |
| <b>Total Revenue</b>   | <u>9,334,674</u>    | <u>965,079</u>                   | <u>7,655,613</u>      |
| <b>Expenditures:</b>   |                     |                                  |                       |
| Current:   |                     |                                  |                       |
| General government   | 2,768,622           | 0                                | 0                     |
| Public safety  | 99,695              | 0                                | 11,888,762            |
| Highways and streets   | 235,175             | 1,006,775                        | 0                     |
| Urban redevelopment & Housing                                    | 82,763              | 0                                | 0                     |
| Economic Development & Assistance                                | 166,592             | 0                                | 0                     |
| Recreation   | 166,868             | 0                                | 0                     |
| Capital outlay   | 0                   | 0                                | 1,907,319             |
| Debt service:  |                     |                                  |                       |
| Principal retirement   | 0                   | 0                                | 166,541               |
| Interest & fiscal charges  | 0                   | 0                                | 13,741                |
| <b>Total Expenditures</b>  | <u>3,519,715</u>    | <u>1,006,775</u>                 | <u>13,976,363</u>     |
| Excess (deficiency) of revenues<br>over expenditures             | 5,814,959           | (41,696)                         | (6,320,750)           |
| <b>Other financing sources (uses):</b>                           |                     |                                  |                       |
| Capital leases initiated   | 0                   | 0                                | 1,371,415             |
| Proceeds from the sale of notes                                  | 0                   | 0                                | 100,000               |
| Transfers in   | 0                   | 0                                | 4,500,000             |
| Transfers out  | (4,825,000)         | 0                                | 0                     |
| <b>Total other financing sources (uses)</b>                      | <u>(4,825,000)</u>  | <u>0</u>                         | <u>5,971,415</u>      |
| Net change in fund balances                                      | 989,959             | (41,696)                         | (349,335)             |
| <b>Fund Balances at Beginning of Year</b>                        | 2,812,741           | 504,139                          | 2,450,708             |
| Increase (decrease) in inventory reserve                         | (1,495)             | 11,610                           | 0                     |
| <b>Fund Balances End of Year</b>                                 | <u>\$ 3,801,205</u> | <u>\$ 474,053</u>                | <u>\$ 2,101,373</u>   |

See accompanying notes to the basic financial statements



**CITY OF XENIA, OHIO**

| <u>Capital<br/>Improvements</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------|---|---|
| \$ 1,283,161                    | \$ 0                                    | \$ 11,582,587                           |
| 40,137                          | 132,379                                 | 1,472,542                               |
| 0                               | 475,873                                 | 3,007,312                               |
| 3,034,956                       | 572,375                                 | 3,920,886                               |
| 625                             | 14,821                                  | 1,918,720                               |
| 0                               | 376,357                                 | 1,358,049                               |
| <u>83,194</u>                   | <u>270,638</u>                          | <u>979,786</u>                          |
| <u>4,442,073</u>                | <u>1,842,443</u>                        | <u>24,239,882</u>                       |
| 0                               | 709,840                                 | 3,478,462                               |
| 0                               | 275,608                                 | 12,264,065                              |
| 0                               | 123,516                                 | 1,365,466                               |
| 0                               | 0                                       | 82,763                                  |
| 0                               | 24,454                                  | 191,046                                 |
| 0                               | 0                                       | 166,868                                 |
| 5,392,019                       | 730,017                                 | 8,029,355                               |
| 146,818                         | 89,478                                  | 402,837                                 |
| 22,338                          | 20,033                                  | 56,112                                  |
| <u>5,561,175</u>                | <u>1,972,946</u>                        | <u>26,036,974</u>                       |
| (1,119,102)                     | (130,503)                               | (1,797,092)                             |
| 0                               | 0                                       | 1,371,415                               |
| 0                               | 0                                       | 100,000                                 |
| 0                               | 325,000                                 | 4,825,000                               |
| <u>0</u>                        | <u>0</u>                                | <u>(4,825,000)</u>                      |
| <u>0</u>                        | <u>325,000</u>                          | <u>1,471,415</u>                        |
| (1,119,102)                     | 194,497                                 | (325,677)                               |
| 2,130,590                       | 2,578,418                               | 10,476,596                              |
| <u>0</u>                        | <u>0</u>                                | <u>10,115</u>                           |
| <u>\$ 1,011,488</u>             | <u>\$ 2,772,915</u>                     | <u>\$ 10,161,034</u>                    |

**CITY OF XENIA, OHIO**

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***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, 2013***

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**Net change in Fund Balances - Total Governmental Funds** (\$325,677)

***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 capital outlays and capital contributions exceeded depreciation. 2,099,423

Governmental funds only report the disposal of assets to the extent proceeds are received from sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets. (36,392)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 434,824

The repayment of bond, Loans, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 402,837

A new capital lease and loan increased long-term liabilities in the statement of net position but are another financing source capital lease initiated and proceeds from the sale of notes. (1,471,415)

Expenditures for Pollution Remediation treated as reduction of liability in Statement of Net Position. 1,492,181

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (6,334)

Some expenses reported in the statement of activities, such as change in inventory and compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (37,571)

The City Garage Internal Service Fund, which is used to charge the cost of services to individual funds, is not included in the statement of activities. Governmental fund expenditures and related internal services revenues are eliminated. The net revenue (expense) of the City Garage Internal Service Fund is allocated among the governmental and business-type activities. 20,697

***Change in Net Assets of Governmental Activities*** **\$2,572,573**

See accompanying notes to the basic financial statements.

**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|---------------------|---|
| <b>Revenues:</b>   |                        |                     |                     |   |
| Municipal Income Tax   | \$ 5,198,334           | \$ 5,198,334        | \$ 5,197,788        | \$ (546)  |
| Other Local Taxes  | 1,174,000              | 1,174,000           | 1,193,200           | 19,200  |
| State Shared Taxes and Permits                                   | 1,027,999              | 1,627,999           | 1,545,154           | (82,845)  |
| Charges for Services   | 24,500                 | 24,500              | 20,422              | (4,078)   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | 976,700                | 976,700             | 972,845             | (3,855)   |
| Miscellaneous Receipts and Reimbursements,<br>including Interest | 413,223                | 413,223             | 445,429             | 32,206  |
| Total Revenues   | <u>8,814,756</u>       | <u>9,414,756</u>    | <u>9,374,838</u>    | <u>(39,918)</u>   |
| <b>Expenditures:</b>   |                        |                     |                     |   |
| Current:   |                        |                     |                     |   |
| General Government   | 2,945,634              | 3,120,287           | 2,892,243           | 228,044   |
| Public Safety  | 124,080                | 129,139             | 116,359             | 12,780  |
| Highways and Streets   | 254,265                | 254,265             | 264,511             | (10,246)  |
| Urban Redevelopment & Housing                                    | 88,982                 | 89,062              | 83,163              | 5,899   |
| Economic Development & Assistance                                | 124,897                | 208,557             | 188,652             | 19,905  |
| Recreation   | 198,637                | 200,217             | 182,834             | 17,383  |
| Total Expenditures   | <u>3,736,495</u>       | <u>4,001,527</u>    | <u>3,727,762</u>    | <u>273,765</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | 5,078,261              | 5,413,229           | 5,647,076           | 233,847   |
| <b>Other Financing Sources (Uses):</b>                           |                        |                     |                     |   |
| Transfers In   | 0                      | 3,000               | 3,000               | 0   |
| Transfers Out  | (6,575,000)            | (6,601,670)         | (4,828,000)         | 1,773,670   |
| Advances In  | 291,000                | 1,291,000           | 211,000             | (1,080,000)   |
| Advances Out   | (221,000)              | (1,221,000)         | (141,000)           | 1,080,000   |
| Total Other Financing Sources (Uses):                            | <u>(6,505,000)</u>     | <u>(6,528,670)</u>  | <u>(4,755,000)</u>  | <u>1,773,670</u>  |
| Net Change in Fund Balance                                       | (1,426,739)            | (1,115,441)         | 892,076             | 2,007,517   |
| Fund Balance at Beginning of Year                                | 1,663,594              | 1,663,594           | 1,663,594           | 0   |
| Prior Year Encumbrances  | 133,292                | 133,292             | 133,292             | 0   |
| Fund Balance at End of Year                                      | <u>\$ 370,147</u>      | <u>\$ 681,445</u>   | <u>\$ 2,688,962</u> | <u>\$ 2,007,517</u>                                     |

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 STATE GAS AND VEHICLE LICENSE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Original Budget   | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
| <b>Revenues:</b>   |                   |                   |                   |   |
| State Shared Taxes and Permits                                   | \$ 995,000        | \$ 995,000        | \$ 949,378        | \$ (45,622)   |
| Charges for Services   | 4,000             | 4,000             | 1,030             | (2,970)   |
| Miscellaneous Receipts and Reimbursements,<br>including Interest | 2,500             | 2,500             | 15,529            | 13,029  |
| Total Revenues   | <u>1,001,500</u>  | <u>1,001,500</u>  | <u>965,937</u>    | <u>(35,563)</u>   |
| <b>Expenditures:</b>   |                   |                   |                   |   |
| Current:   |                   |                   |                   |   |
| Highways and Streets   | 1,027,894         | 1,029,324         | 1,016,225         | 13,099  |
| Total Expenditures   | <u>1,027,894</u>  | <u>1,029,324</u>  | <u>1,016,225</u>  | <u>13,099</u>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | (26,394)          | (27,824)          | (50,288)          | (22,464)  |
| <b>Other Financing Sources (Uses):</b>                           |                   |                   |                   |   |
| Transfers In   | 100,000           | 100,000           | 0                 | (100,000)   |
| Total Other Financing Sources (Uses):                            | <u>100,000</u>    | <u>100,000</u>    | <u>0</u>          | <u>(100,000)</u>  |
| Net Change in Fund Balance                                       | 73,606            | 72,176            | (50,288)          | (122,464)   |
| Fund Balance at Beginning of Year                                | 162,032           | 162,032           | 162,032           | 0   |
| Prior Year Encumbrances  | 89,304            | 89,304            | 89,304            | 0   |
| Fund Balance at End of Year                                      | <u>\$ 324,942</u> | <u>\$ 323,512</u> | <u>\$ 201,048</u> | <u>\$ (122,464)</u>                                     |

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE AND FIRE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|-------------------|---|
| <b>Revenues:</b>   |                        |                     |                   |   |
| Municipal Income Tax   | 5,023,334              | 5,023,334           | 5,163,650         | 140,316   |
| Other Local Taxes  | 186,000                | 186,000             | 199,026           | 13,026  |
| State Shared Taxes and Permits                                   | \$ 34,300              | \$ 34,300           | \$ 33,602         | \$ (698)  |
| Intergovernmental Grants   | 323,000                | 323,000             | 314,487           | (8,513)   |
| Charges for Services   | 1,807,929              | 1,807,929           | 1,734,991         | (72,938)  |
| Fines, Costs, Forfeitures, Licenses and Permits                  | 12,000                 | 12,000              | 8,053             | (3,947)   |
| Miscellaneous Receipts and Reimbursements,<br>including Interest | 95,000                 | 95,000              | 187,014           | 92,014  |
| Total Revenues   | <u>7,481,563</u>       | <u>7,481,563</u>    | <u>7,640,823</u>  | <u>159,260</u>  |
| <b>Expenditures:</b>   |                        |                     |                   |   |
| Current:   |                        |                     |                   |   |
| Public Safety  | 12,082,522             | 12,755,923          | 12,352,692        | 403,231   |
| Capital Outlay   | 1,255,679              | 1,584,366           | 2,093,545         | (509,179)   |
| Debt Service   |                        |                     |                   |   |
| Principal Retirement   | 218,545                | 218,545             | 166,542           | 52,003  |
| Interest and Fiscal Charges                                      | 29,745                 | 29,745              | 13,742            | 16,003  |
| Total Expenditures   | <u>13,586,491</u>      | <u>14,588,579</u>   | <u>14,626,521</u> | <u>(37,942)</u>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | (6,104,928)            | (7,107,016)         | (6,985,698)       | 121,318   |
| <b>Other Financing Sources (Uses):</b>                           |                        |                     |                   |   |
| Proceeds from Capital Lease                                      | 440,000                | 880,000             | 900,549           | 20,549  |
| Proceeds from Sale of Notes                                      | 540,000                | 400,000             | 0                 | (400,000)   |
| Transfers In   | 6,120,000              | 6,120,000           | 4,500,000         | (1,620,000)   |
| Total Other Financing Sources (Uses):                            | <u>7,100,000</u>       | <u>7,400,000</u>    | <u>5,400,549</u>  | <u>(1,999,451)</u>                                      |
| Net Change in Fund Balance                                       | 995,072                | 292,984             | (1,585,149)       | (1,878,133)   |
| Fund Balance at Beginning of Year                                | 1,349,115              | 1,349,115           | 1,349,115         | 0   |
| Prior Year Encumbrances  | 738,511                | 738,511             | 738,511           | 0   |
| Fund Balance at End of Year                                      | <u>\$ 3,082,698</u>    | <u>\$ 2,380,610</u> | <u>\$ 502,477</u> | <u>\$ (1,878,133)</u>                                   |

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

**STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2013**

|  | <i>Business-type activities - Enterprise Funds</i> |                   |                  |
|--|--|-------------------|------------------|
|  | Water  | Sewer             | Sanitation       |
| <b>Assets:</b>                                   |  |                   |                  |
| <b>Current Assets:</b>                           |  |                   |                  |
| Cash and cash equivalents                        | \$ 1,021,378                                       | \$ 992,610        | \$ 668,646       |
| Investments                                      | 2,766,674  | 2,688,735         | 1,811,193        |
| Receivables:                                     |  |                   |                  |
| Accounts   | 454,702  | 790,020           | 21,096           |
| Special assessments, including liens             | 10,639   | 38,395            | 6,513            |
| Loans  | 0  | 0                 | 0                |
| Accrued interest                                 | 4,926  | 4,771             | 3,152            |
| Grants   | 0  | 11,100            | 0                |
| Allowance for uncollectible accounts             | (7,732)  | (20,382)          | (4,991)          |
| Inventories                                      | 248,914  | 22,657            | 0                |
| Prepaid items                                    | 28,245   | 16,135            | 2,535            |
| <b>Total Current Assets</b>                      | <b>4,527,746</b>                                   | <b>4,544,041</b>  | <b>2,508,144</b> |
| <b>Noncurrent Assets:</b>                        |  |                   |                  |
| <b>Unrestricted:</b>                             |  |                   |                  |
| Loans receivable (net of current)                | 0  | 0                 | 0                |
| Capital Assets not being depreciated             | 744,894  | 571,533           | 0                |
| Capital Assets (net of accumulated depreciation) | 8,393,924  | 13,110,906        | 498,669          |
| <b>Total Noncurrent Assets</b>                   | <b>9,138,818</b>                                   | <b>13,682,439</b> | <b>498,669</b>   |
| <b>Total Assets</b>                              | <b>13,666,564</b>                                  | <b>18,226,480</b> | <b>3,006,813</b> |

**CITY OF XENIA, OHIO**

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| <i>Business-type activities - Enterprise Funds</i> |                              |                              |                           |         |
|--|------------------------------|------------------------------|---------------------------|---------|
| Storm Water  | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal<br>Service Funds |         |
| \$ 158,539   | \$ 197,343                   | \$ 3,038,516                 | \$                        | 35,986  |
| 429,454  | 534,557                      | 8,230,613                    |                           | 97,481  |
| 71,231   | 14,599                       | 1,351,648                    |                           | 17,014  |
| 1,221  | 0                            | 56,768                       |                           | 0       |
| 0  | 43,109                       | 43,109                       |                           | 0       |
| 811  | 807                          | 14,467                       |                           | 0       |
| 0  | 32,450                       | 43,550                       |                           | 0       |
| (811)  | 0                            | (33,916)                     |                           | 0       |
| 0  | 0                            | 271,571                      |                           | 71,327  |
| 17   | 317                          | 47,249                       |                           | 6,052   |
| 660,462  | 823,182                      | 13,063,575                   |                           | 227,860 |
| 0  | 1,131,029                    | 1,131,029                    |                           | 0       |
| 0  | 97,810                       | 1,414,237                    |                           | 0       |
| 5,845,292  | 103,807                      | 27,952,598                   |                           | 87,611  |
| 5,845,292  | 1,332,646                    | 30,497,864                   |                           | 87,611  |
| 6,505,754  | 2,155,828                    | 43,561,439                   |                           | 315,471 |

(Continued)

**CITY OF XENIA, OHIO**

**STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2013**

*Business-type activities - Enterprise Funds*

|                                     | Water                | Sewer                | Sanitation          |
|-------------------------------------|----------------------|----------------------|---------------------|
| <b>Liabilities:</b>                 |                      |                      |                     |
| <i>Current Liabilities:</i>         |                      |                      |                     |
| Accounts payable                    | 121,531              | 56,136               | 209,503             |
| Accrued payroll                     | 115,706              | 116,856              | 17,403              |
| Interfund payable                   | 0                    | 0                    | 0                   |
| Loan payable                        | 0                    | 556,362              | 0                   |
| Accrued interest payable            | 12,933               | 12,933               | 8                   |
| Compensated absences                | 24,707               | 26,336               | 6,187               |
| Capital lease payable - current     | 55,820               | 55,820               | 0                   |
| GO Bonds - Current                  | 5,162                | 5,162                | 528                 |
| Landfill liability - current        | 0                    | 0                    | 186,624             |
| <b>Total Current Liabilities</b>    | <b>335,859</b>       | <b>829,605</b>       | <b>420,253</b>      |
| <i>Noncurrent Liabilities</i>       |                      |                      |                     |
| Compensated absences                | 188,660              | 213,900              | 36,868              |
| Capital lease payable               | 547,937              | 547,937              | 0                   |
| Loans payable                       | 0                    | 5,449,918            | 0                   |
| GO Bonds - Non Current              | 39,397               | 39,398               | 4,034               |
| Landfill liability - noncurrent     | 0                    | 0                    | 683,203             |
| <b>Total Noncurrent Liabilities</b> | <b>775,994</b>       | <b>6,251,153</b>     | <b>724,105</b>      |
| <b>Total Liabilities</b>            | <b>1,111,853</b>     | <b>7,080,758</b>     | <b>1,144,358</b>    |
| <b>Net Position:</b>                |                      |                      |                     |
| Net Investment in Capital Assets    | 8,490,611            | 7,027,951            | 494,118             |
| Unrestricted                        | 4,064,100            | 4,117,771            | 1,368,337           |
| <b>Total Net Position</b>           | <b>\$ 12,554,711</b> | <b>\$ 11,145,722</b> | <b>\$ 1,862,455</b> |

Adjustment to Consolidate Utility Billing Internal Service Fund to Net Position

Adjustment to Consolidate the allocated portion of the Garage Internal Service Fund to Net Position

Total Net Position per the government-wide Statement of Net position

See accompanying notes to the basic financial statements



**CITY OF XENIA, OHIO**

| <i>Business-type activities - Enterprise Funds</i> |                                       |                                       |                                   |
|--|---------------------------------------|---------------------------------------|-----------------------------------|
| <u>Storm Water</u>                                 | <u>Other<br/>Enterprise<br/>Funds</u> | <u>Total<br/>Enterprise<br/>Funds</u> | <u>Internal<br/>Service Funds</u> |
| 468  | 109,558                               | 497,196                               | 48,681                            |
| 8,733  | 2,381                                 | 261,079                               | 7,434                             |
| 0  | 0                                     | 0                                     | 59,915                            |
| 0  | 0                                     | 556,362                               | 0                                 |
| 8  | 0                                     | 25,882                                | 0                                 |
| 1,151  | 259                                   | 58,640                                | 1,200                             |
| 0  | 0                                     | 111,640                               | 0                                 |
| 528  | 0                                     | 11,380                                | 0                                 |
| 0  | 0                                     | 186,624                               | 0                                 |
| <u>10,888</u>                                      | <u>112,198</u>                        | <u>1,708,803</u>                      | <u>117,230</u>                    |
| 17,756   | 4,011                                 | 461,195                               | 18,511                            |
| 0  | 0                                     | 1,095,874                             | 0                                 |
| 0  | 0                                     | 5,449,918                             | 0                                 |
| 4,034  | 0                                     | 86,863                                | 0                                 |
| 0  | 0                                     | 683,203                               | 0                                 |
| <u>21,790</u>                                      | <u>4,011</u>                          | <u>7,777,053</u>                      | <u>18,511</u>                     |
| <u>32,678</u>                                      | <u>116,209</u>                        | <u>9,485,856</u>                      | <u>135,741</u>                    |
| 5,840,741  | 201,617                               | 22,055,038                            | 27,696                            |
| <u>632,335</u>                                     | <u>1,838,002</u>                      | <u>12,020,545</u>                     | <u>152,034</u>                    |
| <u>\$ 6,473,076</u>                                | <u>\$ 2,039,619</u>                   | <u>\$ 34,075,583</u>                  | <u>\$ 179,730</u>                 |
|  |                                       | 86,196                                |                                   |
|  |                                       | 32,875                                |                                   |
|  |                                       | <u>34,194,654</u>                     |                                   |

**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <i>Business-type Activities - Enterprise Funds</i> |               |              |
|---|--|---------------|--------------|
|   | Water  | Sewer         | Sanitation   |
| <b>Operating revenues:</b>                            |  |               |              |
| Charges for services                                  | \$ 3,469,672                                       | \$ 4,310,939  | \$ 1,836,748 |
| <b>Operating expenses:</b>                            |  |               |              |
| Personnel services                                    | 1,899,423  | 1,858,346     | 297,719      |
| General operating                                     | 6,082  | 3,051         | 0            |
| Contractual services                                  | 575,253  | 743,178       | 1,181,020    |
| Materials and supplies                                | 149,862  | 133,913       | 889          |
| Depreciation  | 623,319  | 993,167       | 5,536        |
| Non-governmental                                      | 0  | 0             | 0            |
| Total expenses  | 3,253,939  | 3,731,655     | 1,485,164    |
| Operating income (loss)                               | 215,733  | 579,284       | 351,584      |
| <b>Non-operating revenues:</b>                        |  |               |              |
| Interest revenue                                      | 4,072  | 5,084         | 2,420        |
| Other   | 59,580   | 68,131        | 114,888      |
| Intergovernmental                                     | 0  | 11,100        | 0            |
| Total Non-operating revenue                           | 63,652   | 84,315        | 117,308      |
| <b>Non-operating expenses:</b>                        |  |               |              |
| Interest expense                                      | 28,799   | 216,204       | 110          |
| Loss on disposal                                      | 0  | 406,822       | 0            |
| Total Non-Operating Expenses                          | 28,799   | 623,026       | 110          |
| <b>Income (loss) before transfers and contributor</b> | 250,586  | 40,573        | 468,782      |
| Capital contributions                                 | 0  | 1,233         | 0            |
| <b>Change in Net Position</b>                         | 250,586  | 41,806        | 468,782      |
| <b>Net Position, beginning of year</b>                | 12,304,125   | 11,103,916    | 1,393,673    |
| <b>Net Position, end of year</b>                      | \$ 12,554,711                                      | \$ 11,145,722 | \$ 1,862,455 |

Change in Net Position - total enterprise funds

Adjustments to consolidate Utility Billing Internal Service Fund activities

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

Total Change in net position of business-type activities

See accompanying notes to the basic financial statements

**CITY OF XENIA, OHIO**

| Storm Water         | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal<br>Service Funds |
|---------------------|------------------------------|------------------------------|---------------------------|
| \$ 329,371          | \$ 75,851                    | \$ 10,022,581                | \$ 920,170                |
| 163,624             | 48,530                       | 4,267,642                    | 168,555                   |
| 0                   | 4,300                        | 13,433                       | 8,295                     |
| 28,872              | 21,835                       | 2,550,158                    | 216,158                   |
| 36,200              | 3,068                        | 323,932                      | 453,135                   |
| 131,525             | 5,463                        | 1,759,010                    | 6,536                     |
| 0                   | 7,717                        | 7,717                        | 0                         |
| <u>360,221</u>      | <u>90,913</u>                | <u>8,921,892</u>             | <u>852,679</u>            |
| (30,850)            | (15,062)                     | 1,100,689                    | 67,491                    |
| 952                 | 745                          | 13,273                       | 0                         |
| 7,144               | 84,721                       | 334,464                      | 3,768                     |
| 0                   | 126,156                      | 137,256                      | 0                         |
| <u>8,096</u>        | <u>211,622</u>               | <u>484,993</u>               | <u>3,768</u>              |
| 110                 | 0                            | 245,223                      | 0                         |
| 519                 | 116,900                      | 524,241                      | 0                         |
| <u>629</u>          | <u>116,900</u>               | <u>769,464</u>               | <u>0</u>                  |
| (23,383)            | 79,660                       | 816,218                      | 71,259                    |
| <u>52,500</u>       | <u>0</u>                     | <u>53,733</u>                | <u>0</u>                  |
| 29,117              | 79,660                       | 869,951                      | 71,259                    |
| <u>6,443,959</u>    | <u>1,959,959</u>             | <u>33,205,632</u>            | <u>108,471</u>            |
| <u>\$ 6,473,076</u> | <u>\$ 2,039,619</u>          | <u>\$ 34,075,583</u>         | <u>\$ 179,730</u>         |
|                     |                              | 869,951                      |                           |
|                     |                              | 40,291                       |                           |
|                     |                              | 10,271                       |                           |
|                     |                              | <u>920,513</u>               |                           |

**CITY OF XENIA, OHIO**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Business-Type Activities - Enterprise Funds |             |             |
|--|---|-------------|-------------|
|  | Water                                       | Sewer       | Sanitation  |
| <u>Cash Flows from Operating Activities:</u>                         |   |             |             |
| Cash Received from Customers   | \$3,502,639                                 | \$4,319,195 | \$1,955,073 |
| Cash Received from Interfund Services Provided                       | 0   | 0           | 0           |
| Cash Payments for Goods and Services                                 | (686,744)                                   | (924,289)   | (1,238,462) |
| Cash Payments to Employees   | (1,846,683)                                 | (1,796,226) | (299,988)   |
| Net Cash Provided (Used) by Operating Activities                     | 969,212                                     | 1,598,680   | 416,623     |
| <u>Cash Flows from Noncapital Financing Activities:</u>              |   |             |             |
| Advances to Other Funds  | 0   | 0           | 0           |
| Advances In from Other Funds   | 0   | 0           | 0           |
| Net Cash Provided (Used) by Noncapital Financing Activities          | 0   | 0           | 0           |
| <u>Cash Flows from Capital and Related Financing Activities:</u>     |   |             |             |
| Intergovernmental Grants   | 0   | 0           | 0           |
| Acquisition and Construction of Assets                               | (528,099)                                   | (576,789)   | (78,091)    |
| Principal Paid on Loans  | 0   | (540,825)   | 0           |
| Principal Paid on Bonds  | (5,053)                                     | (5,053)     | (517)       |
| Interest Paid on All Debt  | (29,944)                                    | (217,349)   | (111)       |
| Capital Lease Payment  | (53,400)                                    | (53,400)    | 0           |
| Loan Initiated   | 0   | 162,130     | 0           |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (616,496)                                   | (1,231,286) | (78,719)    |
| <u>Cash Flows from Investing Activities:</u>                         |   |             |             |
| Sale of Investments  | 0   | 0           | 0           |
| Purchase of Investments  | (396,504)                                   | (403,080)   | (333,748)   |
| Receipts of Interest   | 22,216                                      | 22,484      | 14,172      |
| Net Cash Provided (Used) by Investing Activities                     | (374,288)                                   | (380,596)   | (319,576)   |
| Net Change in Cash and Cash Equivalents                              | (21,572)                                    | (13,202)    | 18,328      |
| Cash and Cash Equivalents at Beginning of Year                       | 1,042,950                                   | 1,005,812   | 650,318     |
| Cash and Cash Equivalents at End of Year                             | \$1,021,378                                 | \$992,610   | \$668,646   |

**CITY OF XENIA, OHIO**

| Storm Water      | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal<br>Service Funds |
|------------------|------------------------------|------------------------------|---------------------------|
| \$335,157        | \$139,389                    | \$10,251,453                 | \$0                       |
| 0                | 0                            | 0                            | 921,728                   |
| (65,991)         | (223,851)                    | (3,139,337)                  | (700,602)                 |
| (162,184)        | (41,525)                     | (4,146,606)                  | (173,493)                 |
| <u>106,982</u>   | <u>(125,987)</u>             | <u>2,965,510</u>             | <u>47,633</u>             |
| 0                | (190,000)                    | (190,000)                    | (13,435)                  |
| 0                | 120,000                      | 120,000                      | 0                         |
| <u>0</u>         | <u>(70,000)</u>              | <u>(70,000)</u>              | <u>(13,435)</u>           |
| 0                | 508,900                      | 508,900                      | 0                         |
| (120,950)        | (59,641)                     | (1,363,570)                  | 0                         |
| 0                | 0                            | (540,825)                    | 0                         |
| (517)            | 0                            | (11,140)                     | 0                         |
| (111)            | 0                            | (247,515)                    | 0                         |
| 0                | 0                            | (106,800)                    | 0                         |
| 0                | 0                            | 162,130                      | 0                         |
| <u>(121,578)</u> | <u>449,259</u>               | <u>(1,598,820)</u>           | <u>0</u>                  |
| 0                | 0                            | 0                            | 5,239                     |
| (13,642)         | (205,201)                    | (1,352,175)                  | (33,609)                  |
| 3,930            | 4,047                        | 66,849                       | 0                         |
| <u>(9,712)</u>   | <u>(201,154)</u>             | <u>(1,285,326)</u>           | <u>(28,370)</u>           |
| (24,308)         | 52,118                       | 11,364                       | 5,828                     |
| <u>182,847</u>   | <u>145,225</u>               | <u>3,027,152</u>             | <u>30,158</u>             |
| <u>\$158,539</u> | <u>\$197,343</u>             | <u>\$3,038,516</u>           | <u>\$35,986</u>           |

(Continued)

**CITY OF XENIA, OHIO**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Business-Type Activities - Enterprise Funds |             |            |
|--|---|-------------|------------|
|  | Water                                       | Sewer       | Sanitation |
| <b>Reconciliation of Operating Income (Loss) to Net Cash</b> |   |             |            |
| <u>Provided (Used) by Operating Activities:</u>              |   |             |            |
| Operating Income (Loss)                                      | \$215,733                                   | \$579,284   | \$351,584  |
| Adjustments to Reconcile Operating Income (Loss) to          |   |             |            |
| Net Cash Provided (Used) by Operating Activities:            |   |             |            |
| Depreciation Expense   | 623,319                                     | 993,167     | 5,536      |
| Income - Other Nonoperating                                  | 59,580                                      | 68,131      | 114,888    |
| Changes in Assets and Liabilities:                           |   |             |            |
| Decrease in Principal Receivable                             | 0   | 0           | 0          |
| (Increase) Decrease in Accounts Receivable                   | (28,152)                                    | (47,093)    | 3,106      |
| (Increase) Decrease in Special Assessments Receivable        | 1,540                                       | (12,779)    | 328        |
| (Increase) Decrease in Inventory                             | (18,340)                                    | 3,447       | 0          |
| Decrease in Landfill Liability                               | 0   | 0           | (64,608)   |
| Increase (Decrease) in Accounts Payable                      | 62,790                                      | (47,597)    | 8,058      |
| Increase (Decrease) in Accrued Payroll                       | 29,791                                      | 33,999      | 2,493      |
| Increase (Decrease) in Compensated Absences                  | 22,951                                      | 28,121      | (4,762)    |
| Total Adjustments  | 753,479                                     | 1,019,396   | 65,039     |
| Net Cash Provided (Used) by Operating Activities             | \$969,212                                   | \$1,598,680 | \$416,623  |

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2013 the water, sewer, sanitation, and stormwater funds had outstanding liabilities of \$648,316, \$6,654,597, \$4,562, and \$4,562 respectively, for the purchase of certain capital assets.

The fair value of investments decreased in 2013 by \$13,976, \$13,582, \$9,149, \$2,169, and \$2,700 in the Water, Sewer, Sanitation, Stormwater, and Other Enterprise Funds respectively.

The fair value of investments increased in 2013 by \$492 in the internal service funds.

**CITY OF XENIA, OHIO**

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| Storm Water | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal<br>Service Funds |
|-------------|------------------------------|------------------------------|---------------------------|
| (\$30,850)  | (\$15,062)                   | \$1,100,689                  | \$67,491                  |
| 131,525     | 5,463                        | 1,759,010                    | 6,536                     |
| 7,144       | 84,721                       | 334,464                      | 3,768                     |
| 0           | 120,847                      | 120,847                      | 0                         |
| (1,288)     | (14,589)                     | (88,016)                     | (2,209)                   |
| (71)        | 0                            | (10,982)                     | 0                         |
| 0           | 0                            | (14,893)                     | (45,158)                  |
| 0           | 0                            | (64,608)                     | 0                         |
| (919)       | (306,925)                    | (284,593)                    | 22,143                    |
| 431         | (75)                         | 66,639                       | 64                        |
| 1,010       | (367)                        | 46,953                       | (5,002)                   |
| 137,832     | (110,925)                    | 1,864,821                    | (19,858)                  |
| \$106,982   | (\$125,987)                  | \$2,965,510                  | \$47,633                  |

CITY OF XENIA, OHIO

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*STATEMENT OF ASSETS AND LIABILITIES*  
*FIDUCIARY FUNDS*  
*DECEMBER 31, 2013*

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|                           | <u>Agency Funds</u> |
|---------------------------|---------------------|
| <b>Assets:</b>            |                     |
| Cash and cash equivalents | \$ 142,120          |
| Accounts Receivable       | <u>300,000</u>      |
| <b>Total Assets</b>       | <u>\$ 442,120</u>   |
| <b>Liabilities:</b>       |                     |
| Accounts payable          | \$ 358,715          |
| Restricted deposits       | <u>83,405</u>       |
| <b>Total Liabilities</b>  | <u>442,120</u>      |

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Xenia, Ohio, (the City) is a municipal corporation established under the laws of the State of Ohio, which operates under its own charter. Xenia was incorporated in 1817, became a city in 1834, and operates under a Council-Manager form of government.

The financial statements are presented as of December 31, 2013, and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the “GASB”) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB No. 39 “Determining whether certain organization are component units” and No. 61 “The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34” in that the financial statements include all organizations, activities, functions, and component units for which the City is financially accountable. Generally, component units are legally separate organizations for which the elected officials of the City are financially accountable. The City would consider an organization to be a component unit if:

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

The City’s financial reporting entity includes all applicable funds, agencies, boards, commissions, and jointly governed organizations that include the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, stormwater, recreation, public improvements, planning and zoning, and general administrative services. No component unit is included in fiscal year 2013.

The City is party to three jointly governed organizations. Jointly governed organizations are governed by representatives from various participating organizations where the City has no ongoing financial interest or responsibility. The following jointly governed organizations are described in Note 19.

1. Xenia Township – City of Xenia JEDD-1 Joint Economic Development District
2. Miami Valley Regional Planning Commission
3. Greene County Agencies for Combined Enforcement (ACE Task Force)

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity** (Continued)

The City also participates in the Public Entities Pool of Ohio, which is a local government risk sharing pool. The pool is discussed in Notes 20 and 21.

**B. Basis of Presentation - Fund Accounting**

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

The City reports the following major governmental funds:

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

*State Gas and Vehicle License Fund* – This fund is required by State law to account for the portion of gasoline tax and motor vehicle license fees restricted for maintenance of streets within the City. Revenue sources in the fund include state shared taxes and permits, charges for services, and miscellaneous receipts and reimbursements including interest.

*Police and Fire Fund* – This fund is used to account for financial resources restricted for the City's Police department, Fire department, and Dispatch center. Certain revenue sources are required by State law or City ordinance to be spent on these functions. Revenue sources in the fund include municipal income tax; other local taxes; state shared taxes and permits; intergovernmental grants; charges for services such as emergency medical services and dispatching services; fines, costs, forfeitures, licenses, and permits; and miscellaneous receipts and reimbursements including interest.

*Capital Improvements Fund* – This fund is used to account for financial resources restricted for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds or the Municipal Court Capital Improvements Fund). Revenue sources in the fund include municipal income tax, other local taxes, intergovernmental grants, charges for services, and miscellaneous receipts and reimbursements including interest.

The City reports the following major proprietary funds:

*Water Fund* – This fund is used to account for revenues and expenses related to providing water service to the City and surrounding areas.

*Sewer Fund* – This fund is used to account for revenues and expenses related to providing sewer service to the City and surrounding areas.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

*Sanitation Fund* – This fund is used to account for revenues and expenses related to providing sanitation service to the City’s residents.

*Stormwater Fund* – This fund is utilized to account for revenues and expenses related to providing stormwater service to the City’s residents.

Additionally, the City reports the following funds types:

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

*Fiduciary Funds* – These funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units. The City’s fiduciary funds are all agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has four agency funds as follows:

- (1) Municipal Court Traffic, Criminal, Civil, and Small Claims Funds: These funds are used to account for assets held by the Court’s Traffic, Criminal, Civil, and Small Claims divisions. The Municipal Court is considered part of the reporting entity of the City. The Court handles court cases for the City but the City controls the fiscal operations of Court, reviews and approves budget requests, and provides space for the Court and offices;
- (2) Imprest Cash Fund: This fund is used to account for petty cash;
- (3) Insurance Deposit Fund: This fund is used to account for assets held by the City for citizens to ensure that fire damaged property is repaired or demolished; and
- (4) LGIF Funds: This fund is used to account for assets held by the City for transactions related to a loan from the Local Government Innovation Fund entered into by the City and three other local governments. The City is responsible for collecting debt payments from those three local governments and making payment on behalf of those entities to the State of Ohio.

**C. Basis of Presentation – Financial Statements**

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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.

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

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

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

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

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting (Continued)**

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

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

Property taxes measurable as of December 31, 2013, but are not intended to finance 2013 operations are recorded as deferred inflows of resources.

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

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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgets and Budgetary Accounting**

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgets and Budgetary Accounting** (Continued)

revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

The adjustments necessary to convert the results of operations for the year ended December 31, 2013, on the GAAP basis to the budget basis are as follows:

| Net Change in Fund Balances |              |  |                       |
|-----------------------------|--------------|--|-----------------------|
|                             | General Fund | State Gas<br>and Vehicle<br>License Fund | Police & Fire<br>Fund |
| GAAP Basis (as reported)    | \$ 989,959   | \$ (41,696)                              | \$ (349,335)          |
| Revenue Accrual             | 110,164      | 858                                      | (585,656)             |
| Expenditure Accrual         | 54,606       | 23,303                                   | 308,958               |
| Outstanding Encumbrances    | (262,653)    | (32,753)                                 | (959,116)             |
| Budget Basis                | \$ 892,076   | \$ (50,288)                              | \$ (1,585,149)        |

**F. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from December 31, 2013. The City pools its cash, cash equivalents, and investments for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment accounts.

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) that are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. During 2013, the Capital Improvements Fund was allocated approximately

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Investments** (Continued)

\$19,264 of investment earnings in excess of the amount the fund would have received if earnings were based on each fund's share of pooled investment.

The City invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2013.

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. Governmental prepaid items are equally offset by a fund balance classification that indicates they are not in spendable form.

**J. Capital Assets and Depreciation**

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

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



*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation** (Continued)

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

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

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

| Description                | Governmental and<br>Business-Type Activities<br>Estimated Lives (in years) |
|----------------------------|--|
| Land Improvements          | 20 - 25  |
| Buildings and Improvements | 20 - 40  |
| Machinery and Equipment    | 1 - 25   |
| Infrastructure             | 10 - 50  |

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

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

| <u>Obligation</u>        | <u>Fund</u>   |
|--------------------------|---|
| General Obligation Bonds | City Motor Vehicle License Tax Fund, General Capital Improvement Fund, Debt Service Fund, Water Fund, Sewer Fund, Sanitation Fund, and Stormwater Fund  |
| Loans Payable            | Sewer Fund, Police & Fire Fund  |
| Landfill Liability       | Sanitation Fund   |
| Compensated Absences     | General Fund, Probation Fund, State Gas and Vehicle License Fund, Police & Fire Fund, 911 Fund, Municipal Court Victim Fund, Water Fund, Sewer Fund, Sanitation Fund, Stormwater Fund, Parking Revenue Fund, Loan Trust Fund, Housing Rehabilitation Loan Fund, and Garage Fund |
| Capital Leases           | Capital Improvements Fund, Police & Fire Fund, Municipal Court Capital Improvements Fund, Water Fund, and Sewer Fund  |

**L. Compensated Absences**

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

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

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

**M. Net Position**

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Net Position (Continued)**

Net position is reported as restricted when there are limitations imposed on its 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 position is available.

**N. Pensions**

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

**O. Interfund Activity**

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

**P. Fund Balance**

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

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

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Fund Balance (Continued)**

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

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

**Q. Operating Revenues and Expenses**

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

**R. Estimates**

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

**S. Allocation of Indirect Expenses**

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

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**T. Provision for Loan Losses**

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

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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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

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

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

*Capital Assets not reported in funds:*

|  |              |
|--|--------------|
| Capital Assets used in governmental activities | \$38,675,334 |
| Total  | \$38,675,334 |

*Other long-term assets not available to pay for current-period expenditures:*

|                                 |             |
|---------------------------------|-------------|
| Delinquent Income Tax Revenue   | \$1,701,938 |
| Shared Revenues                 | 1,015,604   |
| Other Local Taxes               | 0           |
| Delinquent Property Tax Revenue | 106,307     |
| Grant Revenues                  | 408,573     |
| Special Assessment Revenue      | 14,629      |
| Charges for Services            | 73,756      |
| Miscellaneous Revenue           | 2,962       |
| Total                           | \$3,323,769 |

*Long-Term liabilities not reported in the funds:*

|  |               |
|--|---------------|
| General Obligation Bonds Payable                     | (\$1,478,916) |
| Accrued Interest on Long-Term Debt                   | (17,401)      |
| Capital Leases Payable                               | (1,610,590)   |
| Loans Payable  | (100,000)     |
| Pollution Remediation                                | (1,253,895)   |
| Compensated Absences Payable - Government Activities | (1,858,967)   |
| Total  | (\$6,319,769) |

*Amount of City Garage Internal Service fund applicable to government activities:*

|   |          |
|---|----------|
| City Garage Fund Net Position at year end                         | \$93,534 |
| Portion of City Garage Fund allocated to business-type activities | (32,875) |
| Total   | \$60,659 |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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

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

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

*Amount capital outlay exceeded depreciation in the current period:*

|                      |             |
|----------------------|-------------|
| Capital Outlay       | \$3,374,147 |
| Depreciation Expense | (1,274,724) |
| Total                | \$2,099,423 |

*Revenues that do not provide current financial resources:*

|                               |             |
|-------------------------------|-------------|
| Delinquent Income Tax Revenue | \$149,741   |
| Other Local Taxes             | (\$551,900) |
| Shared Revenue                | 279,052     |
| Delinquent Property Taxes     | 106,307     |
| Special Assessment Revenue    | (12,469)    |
| Intergovernmental Grants      | 408,332     |
| Charges for Services          | (8,232)     |
| Miscellaneous Revenues        | 826         |
| Transfers                     | 63,167      |
| Total                         | \$434,824   |

*Expenses not requiring the use of current financial resources:*

|                      |            |
|----------------------|------------|
| Compensated Absences | (\$47,685) |
| Supplies             | 10,114     |
| Total                | (\$37,571) |

*Change in Net Position of the City Internal Service Fund reported in government activities:*

|  |          |
|--|----------|
| City Garage Internal Service Fund change in net position   | \$30,968 |
| Portion of Internal Service fund change in net position<br>allocated to business type activities | (10,271) |
| Total  | \$20,697 |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES**

For 2013 the City implemented the following Governmental Accounting Standards Board (GASB) statements:

Statement No. 61 “*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*” – The statement amended criteria for the inclusion of component units within the financial reporting entity, revised and clarified the requirements for when it is appropriate to blend component units, and the reporting of equity interests in component units. The implementation of this statement did not result in any change in the City’s financial statements.

Statement No. 65 “*Items Previously Reported as Assets and Liabilities*” – The statement reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources, and recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets or liabilities. These changes were incorporated into the 2013 CAFR, and as a result, items previously reported as deferred revenue under liabilities are now recognized as deferred inflows of resources. These deferred inflows of resources are categorized as either property taxes levied for the next fiscal year, delinquent property tax revenue that is unavailable, or unavailable revenue other.

Statement No. 66 “*Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*” – This statement seeks to align GASB with certain FASB and AICPA pronouncements issued prior to November 30, 1989. The implementation of this statement did not result in any change in the City’s financial statements.

**NOTE 4 – RESTATEMENT OF NET POSITION**

The Net Position of Governmental Activities on the Statement of Net Position has been restated from balances previously reported to correct an error made in 2012. In 2012 the City should have recognized a liability for pollution remediation per GASB 49 therefore reducing Net Position. The liability is recognized appropriately in 2013. The restatement results in changes to Net Position reported last year as follows:

|   | Governmental<br>Activities |
|---|----------------------------|
| Total Net Position at December 31, 2012 (as reported) | \$ 46,074,530.00           |
| Pollution Remediation Liability                       | \$ (2,746,076.00)          |
| Total Net Position at December 31, 2012 (as restated) | \$ 43,328,454.00           |



**CITY OF XENIA, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013**

**NOTE 5 – FUND BALANCES**

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

| Fund Balances                     | General                 | State Gas &<br>Vehicle<br>License | Police & Fire           | Capital<br>Improvements | Other<br>Governmental<br>Funds |
|-----------------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|--------------------------------|
| Nonspendable:                     |                         |                                   |                         |                         |                                |
| Inventory                         | \$ 2,769                | \$ 100,868                        | 0                       | 0                       | 0                              |
| Prepays                           | 49,223                  | 3,786                             | 44,542                  | 0                       | 72,197                         |
| Total Nonspendable                | <u>51,992</u>           | <u>104,654</u>                    | <u>44,542</u>           | <u>0</u>                | <u>72,197</u>                  |
| Restricted for:                   |                         |                                   |                         |                         |                                |
| General Government                | 0                       | 0                                 | 0                       | 0                       | 395,215                        |
| Public Safety                     | 0                       | 0                                 | 2,056,831               | 0                       | 932,408                        |
| Highways & Streets                | 0                       | 369,399                           | 0                       | 0                       | 716,939                        |
| Capital Projects                  | 0                       | 0                                 | 0                       | 1,011,488               | 343,948                        |
| Debt Service                      | 0                       | 0                                 | 0                       | 0                       | 93,038                         |
| Total Restricted                  | <u>0</u>                | <u>369,399</u>                    | <u>2,056,831</u>        | <u>1,011,488</u>        | <u>2,481,548</u>               |
| Committed to:                     |                         |                                   |                         |                         |                                |
| General Government                | 0                       | 0                                 | 0                       | 0                       | 219,170                        |
| Total Committed                   | <u>0</u>                | <u>0</u>                          | <u>0</u>                | <u>0</u>                | <u>219,170</u>                 |
| Assigned to:                      |                         |                                   |                         |                         |                                |
| General Government                | 164,541                 | 0                                 | 0                       | 0                       | 0                              |
| Public Safety                     | 19,384                  | 0                                 | 0                       | 0                       | 0                              |
| Highways & Streets                | 9,195                   | 0                                 | 0                       | 0                       | 0                              |
| Urban Redevelopment & Housing     | 305                     | 0                                 | 0                       | 0                       | 0                              |
| Economic Development & Assistance | 31,464                  | 0                                 | 0                       | 0                       | 0                              |
| Recreation                        | 15,319                  | 0                                 | 0                       | 0                       | 0                              |
| Capital Projects                  | 0                       | 0                                 | 0                       | 0                       | 0                              |
| Total Assigned                    | <u>240,208</u>          | <u>0</u>                          | <u>0</u>                | <u>0</u>                | <u>0</u>                       |
| Unassigned (Deficit)              | 3,509,005               | 0                                 | 0                       | 0                       | 0                              |
| Total Fund Balance                | <u><u>3,801,205</u></u> | <u><u>474,053</u></u>             | <u><u>2,101,373</u></u> | <u><u>1,011,488</u></u> | <u><u>2,772,915</u></u>        |

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 6 – DEPOSITS AND INVESTMENTS**

Xenia is a charter City and has adopted an investment policy through City ordinance. Ohio Revised Code Section 135 will govern investment policy and procedures when City policies or ordinance do not address an issue. State statute classify monies held by the City into three categories: active deposits, inactive deposits, and interim deposits.

Active deposits are public deposits determined to be necessary to meet current demands upon the City's Treasury. Active monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates or deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the City may be deposited or invested in the following securities:

1. Direct Obligations of U.S. Treasury  
Treasury Bills  
Treasury Notes and Bonds
2. Obligations of Federal Agencies and Instrumentalities  
Including but not limited to:  
Federal National Mortgage Association (FNMA)  
Federal Home Loan Bank (FHLB)  
Federal Farm Credit Bank (FFCB)  
Federal Home Loan Mortgage Corporation (FHLMC)  
Government National Mortgage Association (GNMA)  
Student Loan Marketing Association (SLMA)
3. Nonnegotiable Interest-Bearing Time Certificates of Deposit and Savings Accounts
4. Negotiable Interest-Bearing Certificates of Deposit covered by FDIC Insurance
5. Bankers Acceptances of banks in the top 100 based on asset size or Ohio-based banks with at least \$2 billion in assets
6. The State Treasury Asset Reserve of Ohio (STAR Ohio)

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 6 – DEPOSITS AND INVESTMENTS (Continued)**

7. No-load money market mutual funds consisting exclusively of obligations listed in 1 and 2 above
8. Repurchase agreements under terms outlined in Safekeeping and Custody
9. NOW accounts (Interest Bearing Negotiable Order of Withdrawal Accounts)
10. Obligations of the State of Ohio and its political subdivisions (only insured obligations)

Investments not approved by the City policy are prohibited including stripped principal or interest obligations and reverse repurchase agreements and derivatives. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

The City may also invest any monies not required to be used for a period of six months or more in bonds of the State of Ohio, other political subdivisions of the State, or obligations of the City.

At December 31, 2013, the carrying amount of the City cash deposits was \$3,900,682 and the bank balance was \$4,598,276. FDIC Insurance covered \$250,000, per insured bank, for each account ownership category. At fiscal year-end, \$4,348,276 of the City's bank balance was exposed to custodial credit risk, because they were uninsured and collateralized with securities held by the pledging financial institution.

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

**CITY OF XENIA, OHIO**

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

**NOTE 6 – DEPOSITS AND INVESTMENTS (Continued)**

The City’s investments at December 31, 2013, are summarized below:

| Investment Type          | Total<br>Fair<br>Value | Credit<br>Rating | Investment Maturities |                       |                     |                     | % of Total<br>Investments |
|--------------------------|------------------------|------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------------|
|                          |                        |                  | Less than<br>3 Months | 3 Months<br>to 1 Year | 1 - 3<br>Years      | 3 - 5<br>Years      |                           |
| FFCB                     | \$ 595,390             | AAA              | 0                     | 0                     | 400,020             | 195,370             | 3.52%                     |
| FHLB                     | \$ 2,543,144           | AAA              | 0                     | 250,065               | 0                   | 2,293,079           | 15.02%                    |
| FHLMC                    | \$ 1,698,872           | AAA              | 0                     | 0                     | 300,336             | 1,398,536           | 10.03%                    |
| FNMA                     | \$ 3,522,512           | AAA              | 0                     | 302,922               | 309,219             | 2,910,371           | 20.80%                    |
| STAR OHIO                | \$ 8,907               | AAA              | 8,907                 | 0                     | 0                   | 0                   | 0.05%                     |
| Certificate of Deposit   | \$ 6,411,480           | AA3              | 0                     | 3,072,298             | 3,099,316           | 239,866             | 37.85%                    |
| Money Market Funds       | \$ 2,156,614           | Unrated          | 2,156,614             | 0                     | 0                   | 0                   | 12.73%                    |
| <b>Total Investments</b> | <b>\$ 16,936,919</b>   |                  | <b>\$ 2,165,521</b>   | <b>\$ 3,625,285</b>   | <b>\$ 4,108,891</b> | <b>\$ 7,037,222</b> |                           |

*Interest Rate Risk* – Interest rate risk is the risk that an interest rate change could adversely affect an investment’s fair value. State Regulations and City policy reduce exposure to declines in fair values by limiting the life of investments to five years. The reporting of effective duration in the table above quantifies, to the fullest extent possible, the interest rate risk of the City’s fixed income assets. The City does not have a formal policy regarding interest rate risk.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of a failure of a depository institution or counterparty to a transaction, the City will be unable to recover the value of deposits, investments, or collateral securities in the possession of an outside party. 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. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investment prior to delivery of securities representing such investment to the Fiscal Officer and qualified trustees.

*Credit Risk* – The Standard & Poor’s or Moody’s ratings of the City’s investment is listed in the table above. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service. The City’s investment policy limits investments to those that are highly rated or issued by U.S. Government sponsored enterprises.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The City portfolio must be invested in more than one type of financial instrument, in more than one financial institution, and at different maturity lengths according to cash flow needs. The City’s investment policy places no limits on the amount it may invest in any one issuer. The percentages that each investment represents to the total investments are listed in the preceding table.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 7 – TAXES**

**A. Property Taxes**

Property taxes consist of amounts levied against real and tangible property (used in business) located in the City. Real property taxes are levied each October 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor at 35% of appraised market value. Property values are required to be updated every three years and revalued every six years. The last revaluation was completed in 2008.

The property tax calendar is as follows:

|                                |                   |
|--------------------------------|-------------------|
| Lein date                      | January 1, 2012   |
| Levy date                      | October 1, 2012   |
| First installment payment due  | February 15, 2013 |
| Second installment payment due | July 19, 2013     |

The assessed values upon which 2013 tax receipts were based are as follows:

|                | <u>Assessed Values</u><br><u>January 1, 2012</u> |
|----------------|--|
| Real Estate    | \$372,358,760                                    |
| Public Utility | 8,598,320  |
| Total          | <u><u>\$380,957,080</u></u>                      |

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

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

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

Property taxes receivable represents real and public utility property taxes and outstanding delinquencies that were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources, i.e. property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources, i.e. unavailable revenue.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 7 – TAXES (Continued)**

**B. Income Tax**

For the 2013 fiscal year the City collected income taxes at a rate of 2.25%. A 1.5% credit was allowed for those who work in another community and pay taxes to other municipalities on that income. Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

**NOTE 8 – RECEIVABLES**

Receivables at December 31, 2013, consisted of municipal income tax, property taxes, other local taxes, interfund, accounts, special assessments, loans, accrued interest, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables with the exception of loans are considered fully collectible and will be received within one year with the exception of income taxes, property taxes, loans, and special assessments. Income taxes and property taxes, though ultimately collectible, include some portion of delinquents that will not be collected within one year.

**A. Intergovernmental Receivable**

A summary of intergovernmental receivables follows:

| <u>Governmental Activities:</u> | <u>Amount</u>    |
|---------------------------------|------------------|
| Local Government                | 390,544          |
| Estate Tax                      | 37,768           |
| Homestead & Rollback            | 84,685           |
| Motor Vehicle License Tax       | 673,823          |
| Gasoline Tax                    | 408,000          |
|                                 | <u>1,594,820</u> |

**B. Loans Receivable**

The City operates three long-term enterprise fund loan programs including the Loan Fund, the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) Revolving Loan Fund, and the Housing Rehabilitation Loan Fund.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013**

**NOTE 8 – RECEIVABLES (Continued)**

**B. Loans Receivable (Continued)**

Loans receivable at December 31, 2013 were as follows:

| Loan Type                     | UDAG &<br>C.D.B.G<br>Revolving<br>Loan Fund | Loan<br>Fund     | Housing<br>Rehabilitation<br>Loan Fund |
|-------------------------------|---|------------------|--|
| Down payment assistance loans | \$0   | \$0              | \$3,093                                |
| Mortgage grants               | 0   | 0                | 53,850                                 |
| Rehabilitation loans          | 0   | 0                | 249,145                                |
| Façade Loans                  | 23,151                                      | 0                | 563,869                                |
| Homelessness Prevention Loans | 0   | 0                | 5,289                                  |
| Economic development loans    | 0   | 275,741          | 0                                      |
| Total Loans receivable        | <u>\$23,151</u>                             | <u>\$275,741</u> | <u>\$875,246</u>                       |

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

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

Housing Rehabilitation Loan Fund – In December 2009, the City received notice that it had been awarded a Tier II Downtown Building and Streetscape Grant. These grant dollars are required to be spent on downtown Xenia. Projects related to these grant dollars include the improvement of downtown buildings through a façade loan program, improvements to two municipal parking lots, curb and sidewalk improvements, the painting of several murals, and wayfinding and gateway signage. The City was also awarded a Tier III CDBG Discretionary Grant that complements the Tier II efforts to improve downtown facades. The first Tier III dollars were spent in 2012. In September 2006, the City was awarded a Community Housing Improvement Program (CHIP) Grant in the amount of \$556,000. The grant includes homelessness prevention, private rehabilitation, home or building repair, private rental rehab, fair housing, and general administration activities. The first expenditures related to this grant were made in 2007. The City was also awarded a \$600,000 CHIP Grant in August 1998, which ended in 2001. The program had similar activities to the 2006 grant as it offered deferred loans, direct low interest loans, or a combination thereof with various payoff dates. Some delinquencies from previous housing rehabilitation programs remain outstanding.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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**NOTE 9 – TRANSFERS**

The following is a summary of transfers in and out for all funds for 2013:

| Fund                             | Transfer In        | Transfer Out       |
|----------------------------------|--------------------|--------------------|
| <b>Governmental Funds:</b>       |                    |                    |
| General Fund                     | \$0                | \$4,825,000        |
| Police & Fire Fund               | \$4,500,000        | \$0                |
| State Gas & Vehicle License Fund | 0                  |                    |
| General Capital Improvement Fund | 116,900            | 53,733             |
| Other Governmental Funds         | 325,000            | 0                  |
| Total Governmental Funds         | 4,941,900          | 4,878,733          |
| <b>Enterprise Funds</b>          |                    |                    |
| Sewer Fund                       | 1,233              |                    |
| Storm Sewer Fund                 | 52,500             |                    |
| Other Enterprise Funds           | 0                  | 116,900            |
| Total Enterprise Funds           | 53,733             | 116,900            |
| <b>Total Transfers</b>           | <b>\$4,995,633</b> | <b>\$4,995,633</b> |

There were two transfers from the General Fund to Other Governmental Funds. One transfer was to support operations in the Municipal Court Victim Fund and the other to support operations in the Probation Services Fund. The transfer from the General Fund to the Police and Fire Fund was to support operations related to those public safety functions. There were also transfers of Capital assets between various funds. These transfers are not represented as transfers on the fund statements, because in each case, the transfer was between governmental and enterprise funds. The transfers are recognized on the entity-wide statements. The General Capital Improvement Fund transferred capital assets totaling \$53,733 to the Sewer Fund and Storm Sewer Fund. \$1,233 was transferred to the Sewer Fund for a portion of a parking lot, while \$52,500 was transferred to the Storm Sewer Fund for curbs, ramps, and gutters. A transfer of capital assets in the amount of \$101,900 was made from the CDBG & UDAG Revolving Loan Fund and \$15,000 from the Housing Rehabilitation Loan Fund to the General Capital Improvement Fund for bike spur improvements and wayfinding signage.



*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at December 31, 2013, were as follows:

|                           | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|---------------------------|---------------------------------|------------------------------|
| Governmental Funds:       |                                 |                              |
| Capital Improvements Fund | \$59,915                        |                              |
| Internal Service Funds:   |                                 |                              |
| City Garage Fund          |                                 | \$59,915                     |

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013**

**NOTE 11 – CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2013:

***Historical Cost:***

| <u>Class</u>  | <u>December 31,<br/>2012</u> | <u>Additions</u>       | <u>Deletions</u>     | <u>December 31,<br/>2013</u> |
|---|------------------------------|------------------------|----------------------|------------------------------|
| <b><i>Capital assets not being depreciated:</i></b> |                              |                        |                      |                              |
| Land  | \$16,203,413                 | \$0                    | \$0                  | \$16,203,413                 |
| Construction in Progress                            | 752,822                      | 1,505,944              | (675,610)            | 1,583,156                    |
| Subtotal  | <u>16,956,235</u>            | <u>1,505,944</u>       | <u>(675,610)</u>     | <u>17,786,569</u>            |
| <b><i>Capital assets being depreciated:</i></b>     |                              |                        |                      |                              |
| Land improvements                                   | 2,245,194                    | 762,108                | 0                    | 3,007,302                    |
| Buildings and improvements                          | 7,894,904                    | 89,082                 | 0                    | 7,983,986                    |
| Machinery and Equipment                             | 8,943,110                    | 1,147,856              | (196,634)            | 9,894,332                    |
| Infrastructure                                      | 16,285,036                   | 607,933                | (149,036)            | 16,743,933                   |
| Subtotal  | <u>35,368,244</u>            | <u>2,606,979</u>       | <u>(345,670)</u>     | <u>37,629,553</u>            |
| Total Cost  | <u>\$52,324,479</u>          | <u>\$4,112,923</u>     | <u>(\$1,021,280)</u> | <u>\$55,416,122</u>          |
| <b><i>Accumulated Depreciation:</i></b>             |                              |                        |                      |                              |
| <u>Class</u>  | <u>December 31,<br/>2012</u> | <u>Additions</u>       | <u>Deletions</u>     | <u>December 31,<br/>2013</u> |
| Land improvements                                   | (\$805,121)                  | (\$94,575)             | \$0                  | (\$899,696)                  |
| Buildings and improvements                          | (3,031,679)                  | (186,569)              | 0                    | (3,218,248)                  |
| Machinery and Equipment                             | (5,650,759)                  | (535,977)              | 196,634              | (5,990,102)                  |
| Infrastructure                                      | (6,211,207)                  | (461,629)              | 112,644              | (6,560,192)                  |
| Total Depreciation                                  | <u>(\$15,698,766)</u>        | <u>(\$1,278,750) *</u> | <u>\$309,278</u>     | <u>(\$16,668,238)</u>        |
| <b><i>Net Value:</i></b>                            | <u>\$36,625,713</u>          | <u>\$2,834,173</u>     | <u>(\$712,002)</u>   | <u>\$38,747,884</u>          |

\* Depreciation expenses were charged to governmental functions as follows:

|   |                    |
|---|--------------------|
| General Government  | \$166,475          |
| Public Safety   | 399,952            |
| Highways and Streets  | 576,834            |
| Urban Redevelopment & Housing   | 24,857             |
| Recreation  | 106,606            |
| Total Depreciation Expense recorded<br>within the Governmental Activities | <u>1,274,724</u>   |
| Amount of Depreciation Expense<br>recorded in the Internal Service Fund   | 4,026              |
| Total Additions to Accumulated Depreciation                               | <u>\$1,278,750</u> |

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013**

**NOTE 11 – CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category of change in Business-Type activities capital assets at December 31, 2013:

| Class   | December 31,<br>2012  | Additions            | Deletions            | December 31,<br>2013  |
|---|-----------------------|----------------------|----------------------|-----------------------|
| <b><i>Capital assets not being depreciated:</i></b> |                       |                      |                      |                       |
| Land  | \$484,280             | \$0                  | \$0                  | \$484,280             |
| Construction in Progress                            | 2,368,404             | 255,079              | (1,693,526)          | 929,957               |
| Subtotal  | <u>2,852,684</u>      | <u>255,079</u>       | <u>(1,693,526)</u>   | <u>1,414,237</u>      |
| <b><i>Capital assets being depreciated:</i></b>     |                       |                      |                      |                       |
| Land improvements                                   | 574,767               | 377,276              | (116,900)            | 835,143               |
| Buildings and improvements                          | 9,852,145             | 1,721,404            | (1,086,404)          | 10,487,145            |
| Machinery and Equipment & Infrastructure            | 54,582,552            | 683,907              | (12,832)             | 55,253,627            |
|   | <u>65,009,464</u>     | <u>2,782,587</u>     | <u>(1,216,136)</u>   | <u>66,575,915</u>     |
| Total Cost  | <u>\$67,862,148</u>   | <u>\$3,037,666</u>   | <u>(\$2,909,662)</u> | <u>\$67,990,152</u>   |
| <b><i>Accumulated Depreciation:</i></b>             |                       |                      |                      |                       |
| Class   | December 31,<br>2012  | Additions            | Deletions            | December 31,<br>2013  |
| Land Improvements                                   | (\$307,311)           | (\$18,537)           | \$0                  | (\$325,848)           |
| Buildings and Improvements                          | (5,320,317)           | (205,868)            | 679,581              | (4,846,604)           |
| Machinery and Equipment & Infrastructure            | (31,984,168)          | (1,463,949)          | 12,313               | (33,435,804)          |
| Total Depreciation                                  | <u>(\$37,611,796)</u> | <u>(\$1,688,354)</u> | <u>\$691,894</u>     | <u>(\$38,608,256)</u> |
| <b><i>Net Value:</i></b>                            | <u>\$30,250,352</u>   | <u>\$1,349,312</u>   | <u>(\$2,217,768)</u> | <u>\$29,381,896</u>   |

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

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

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

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

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

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans (TP, MD and CO). While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)**

The 2013 member contribution rate for City employees was 10.00% of covered payroll. The 2013 employer contribution rate was 14.00% of covered payroll.

The City's contributions to OPERS for the years ended December 31, 2013, 2012, and 2011 were \$894,445, \$672,848, and \$650,210, respectively, which were equal to the required contributions for each year. For 2013, 91.93% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**B. Ohio Police and Fire Pension Fund (the "OP&F Fund")**

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

From January 1, 2013, thru July 1, 2013, plan members were required to contribute 10% of their annual covered salary. From July 2, 2013, thru December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, employers were required to contribute 19.5% and 24%, respectively, for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2013, 2012, and 2011 were \$584,025 \$435,705 and \$394,554 for police and \$583,650, \$491,741 and \$504,240 for firefighters, respectively, which were equal to the required contributions for each year. For 2013, 78.68% for police and 80.76% for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

**NOTE 13 – POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System ("OPERS")**

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

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

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 13 – POSTEMPLOYMENT BENEFITS (Continued)**

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

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC. OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, making a written request to OPERS at 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling (614) 222-5601 or 1-800-222-PERS (7377).

Funding Policy - The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care coverage. Employer Contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, local government employers contributed at a rate of 14% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care Plan was established under and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment Health Care benefits. The employer contribution allocated to health care for those in the traditional plan was 1.0% for calendar year 2013. For members of the combined plan, the portion was 1% during 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was increased to 2% for both plans as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2013, 2012, and 2011 were \$68,774, \$269,121, and \$260,066, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 13 – POSTEMPLOYMENT BENEFITS (Continued)**

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

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

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

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the ORC. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013, thru May 31, 2013, and 2.85% of covered payroll from June 1, 2013 thru December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 13 – POSTEMPLOYMENT BENEFITS (Continued)**

The City's contributions for health care to the OP&F for the years ending December 31, 2013, 2012, and 2011, were \$129,694, \$230,511, and \$208,740 for police and \$103,747, \$192,183 and \$197,067 for firefighters, respectively.

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**CITY OF XENIA, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013**

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

Long-term debt and other long-term obligations of the City at December 31, 2013, were as follows:

|  |                                  |      | Balance<br>December 31,<br>2012 | Additions          | (Reductions)         | Balance<br>December 31,<br>2013 | Due<br>Within<br>One Year |
|--|----------------------------------|------|---------------------------------|--------------------|----------------------|---------------------------------|---------------------------|
| <b>Business-Type Activities:</b>               |                                  |      |                                 |                    |                      |                                 |                           |
| Loans Payable:                                 |                                  |      |                                 |                    |                      |                                 |                           |
| 2.79%  | Sewer Loan Payable               | 1999 | 3,377,165                       | 0                  | (410,787)            | 2,966,378                       | 422,328                   |
| 3.25%  | Sewer Loan Payable               | 2010 | 1,667,583                       | 0                  | (72,080)             | 1,595,503                       | 74,442                    |
| 2.80%  | Sewer Loan Payable               | 2012 | 1,510,304                       | 0                  | (65,905)             | 1,444,399                       | 59,592                    |
|  | Total Loans Payable              |      | <u>6,555,052</u>                | <u>0</u>           | <u>(548,772)</u>     | <u>6,006,280</u>                | <u>556,362</u>            |
| Capital Leases                                 |                                  |      |                                 |                    |                      |                                 |                           |
|  |                                  |      | 1,314,314                       | 0                  | (106,800)            | 1,207,514                       | 111,640                   |
| 2.16%  |                                  |      |                                 |                    |                      |                                 |                           |
|  | General Obligation Bond Payable  |      | 109,383                         | 0                  | (11,140)             | 98,243                          | 11,380                    |
|  | Landfill Liability               |      | 934,435                         | 14,540             | (79,148)             | 869,827                         | 186,624                   |
|  | Compensated Absences             |      | 472,882                         | 519,835            | (472,882)            | 519,835                         | 58,640                    |
| <b>Total Business Type Activities</b>          |                                  |      | <u>\$9,386,066</u>              | <u>\$534,375</u>   | <u>(\$1,218,742)</u> | <u>\$8,701,699</u>              | <u>\$924,646</u>          |
| <b>Governmental Activities Long-Term Debt:</b> |                                  |      |                                 |                    |                      |                                 |                           |
| 2.00- 3.10%                                    |                                  |      |                                 |                    |                      |                                 |                           |
|  | General Obligation Bond Payable  | 2010 | \$775,000                       | \$0                | (\$75,000)           | \$700,000                       | \$100,000                 |
| 2.16%  |                                  |      |                                 |                    |                      |                                 |                           |
|  | General Obligation Bond Payable  | 2011 | 867,248                         | 0                  | (88,332)             | \$778,916                       | 90,239                    |
|  | Local Government Innovation Fund | 2013 | 0                               | 100,000            | 0                    | \$100,000                       | 10,000                    |
|  | Capital Leases Payable           |      | 478,680                         | 1,371,415          | (239,505)            | 1,610,590                       | 290,022                   |
|  | Pollution Remediation            |      | 2,746,076                       | 0                  | (1,492,181)          | 1,253,895                       | 1,253,895                 |
|  | Compensated Absences             |      | 1,885,664                       | 1,930,527          | (1,885,664)          | 1,930,527                       | 169,422                   |
| <b>Total Governmental Activities</b>           |                                  |      | <u>\$6,752,668</u>              | <u>\$3,401,942</u> | <u>(\$3,780,682)</u> | <u>\$6,373,928</u>              | <u>\$1,913,578</u>        |

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013**

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

**A. Principal and Interest Requirements**

Principal and Interest requirements to retire long-term obligations outstanding at December 31, 2013, are as follows:

| Years     | General Obligation Bond |                  | Sewer Loans Payable |                    | LGIF             |
|-----------|-------------------------|------------------|---------------------|--------------------|------------------|
|           | Principal               | Interest         | Principal           | Interest           | Principal        |
| 2014      | 201,621                 | 36,397           | 556,362             | 171,868            | 10,000           |
| 2015      | 203,816                 | 32,202           | 572,346             | 155,884            | 10,000           |
| 2016      | 206,059                 | 27,709           | 588,791             | 139,439            | 10,000           |
| 2017      | 208,350                 | 22,793           | 605,710             | 122,520            | 10,000           |
| 2018      | 210,690                 | 17,578           | 623,117             | 105,113            | 10,000           |
| 2019-2023 | 546,623                 | 21,281           | 1,561,898           | 321,675            | 50,000           |
| 2024-2028 | 0                       | 0                | 964,894             | 165,433            | 0                |
| 2029-2032 | 0                       | 0                | 533,162             | 30,122             | 0                |
| Totals    | <u>\$1,577,159</u>      | <u>\$157,960</u> | <u>\$6,006,280</u>  | <u>\$1,212,054</u> | <u>\$100,000</u> |

**B. General Obligation Bond**

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

**C. Sewer Loans Payable**

The City has three loans outstanding with the Ohio Water Development Authority. The loans were used to make improvements at each of the City's two wastewater treatment plants. One loan funded improvements made in 2001 while the more recent improvements began in 2010 and were completed in 2013.

**D. Local Government Innovation Fund**

In 2013, the City of Xenia acquired a zero interest loan from the State of Ohio as a part of a collaborative agreement with three other local government entities. The loan proceeds were to be used to fund a portion of a capital project to upgrade the Dispatch center's radio system. The total loan amount was \$400,000, each entity receiving \$100,000. The loan will be repaid over a ten-year period.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

**NOTE 15 – LEASES**

**A. Capital Leases**

Under capital leases the City has leases for a fire pumper, communication center upgrades including radios and consoles, a building security system, automated meter reading upgrades, and self-contained breathing apparatus. The cost of these capital leases are related to Governmental Activities capital assets with the exception of the automated meter reading project, which can be attributed to the Business Type Activities. The related liabilities are included in amounts due within one year and amounts due in more than one year. The original cost of the assets acquired under capital lease was \$4,095,493 and the book value at December 31, 2013, was \$3,032,410. The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2013:

| Year Ending December 31,   | Governmental<br>Activities | Business Type<br>Activities |
|--|----------------------------|-----------------------------|
| 2014   | 323,943                    | 164,516                     |
| 2015   | 303,447                    | 164,516                     |
| 2016   | 256,772                    | 164,516                     |
| 2017   | 210,097                    | 164,516                     |
| 2018   | 210,097                    | 164,516                     |
| 2019-2022  | 420,194                    | 658,060                     |
| Minimum Lease Payments   | 1,724,550                  | 1,480,640                   |
| Less amount representing<br>interest at the City's incremental<br>borrowing rate of interest | (113,960)                  | (273,126)                   |
| Present value of minimum lease payments  | \$1,610,590                | \$1,207,514                 |

**B. Operating Leases**

The City leases office space, machinery and equipment, and janitorial and cleaning services under operating agreements that expire at various dates through 2018. Payments on operating leases were \$76,100 during 2013. The following is a schedule of future minimum rental payments of non-cancellable operating leases:

| Year Ending December 31, | Amount |
|--------------------------|--------|
| 2014                     | 76,372 |
| 2015                     | 18,972 |
| 2016                     | 8,689  |
| 2017                     | 1344   |
| 2018                     | 672    |

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 16 – SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

In 1991, the City stopped accepting waste at the City of Xenia Landfill. EPA required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. At December 31, 2013, the City's accrued liability (per GASB 18) for post-closure costs related to the closed City landfill is \$869,827. These costs are funded by a component of the City's sanitation rate. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws, and other variables.

**NOTE 17 – POLLUTION REMEDIATION**

The old Hooven & Allison Facility is located on a 21.1-acre tract of land at the southeast corner of Cincinnati Avenue and Grove Avenue in the City of Xenia. From the middle of the 19th century up through the early 1990s, the facility manufactured fiber and twine mostly in the form of "roping" for other trades. Since its closure in the early 1990s, the facility has remained vacant and unfortunately has been the main catalyst for blight development in the surrounding neighborhood. The City sought grant funding for the demolition of the structures, removal of underground storage tanks, asbestos abatement, contaminated soil removal, and water/sewer service enhancements. The City was fortunate enough to have been awarded the grant and as a part of the process acquired the property. Per GASB 49, a government is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability when the government commences or legally obligates itself to commence pollution remediation. The City's liability for pollution remediation at December 31, 2013, is \$1,253,895. The remediation project is scheduled for completion in 2014.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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**NOTE 18 – COMMITMENTS**

**A. Contractual Commitments**

As of December 31, 2013, the City had the following commitments with respect to capital projects:

| <u>Project:</u>  | <u>Commitment<br/>Amount</u> |
|--|------------------------------|
| MARCS radio upgrade  | \$550,630                    |
| Stryker Power Load Cot Systems                             | 94,153                       |
| Microwave Communications at Twist Inc.                     | 41,221                       |
| Salt Brine Mixer   | 25,558                       |
| Annual Street Rehab Program                                | 22,845                       |
| Athletes in Action CORF Grant                              | 760,147                      |
| Hooven & Allison CORF Grant                                | 3,070,261                    |
| Towler/Ford Road Trunk Sewer                               | 93,375                       |
| Toward Independence Renovations                            | 74,641                       |
| Design of City Admin Bldg & Justice Center                 | 214,008                      |
| Consulting Mitigation Grant Water Treatment Plant          | 67,001                       |
| Design for Variable Frequency Drives Water Treatment Plant | 27,277                       |
| Replace Water Treatment Plant Roof                         | 59,775                       |
| Aerator Unit at Water Treatment Plant                      | 15,600                       |
| Sewer Easement Machine                                     | 61,995                       |
| Evaluation of Methane Gas Migration Area F of Landfill     | 19,928                       |

**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS**

**Xenia Township – City of Xenia JEDD-1 Joint Economic Development District**

In 2010, an Economic Development District was created when the City of Xenia and Xenia Township entered into an agreement to create the JEDD, its purpose being to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the District. The district is comprised of two parcels owned by the Xenia Community School District. The Board is comprised of five members: one member being appointed by the City, one member appointed by the Township, one member appointed by the school district, one member representing those who work in the district, and one member appointed by the other four members.

The board was granted the authority to adopt a resolution to levy an income tax with the district in accordance with ORC 715.74. The City entered into an agreement with the board to collect the income tax. The City distributes semi-annually income tax revenue generated from the payroll of Xenia Community schools or contractual services for construction or repair of buildings. Income tax revenues

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

distributed to the JEDD Board, the Township, and the City are to be used to encourage and support the operations of the District, the Township, or the City, including, but not limited to, general governmental services, maintaining and improving infrastructure facilities, providing safety and health services, providing urban and economic development planning, engineering, counseling, consulting, marketing and financing services, and generally improving the environment for those working and residing in the District, the Township, or the City. Financial information can be obtained from JEDD-1 Treasurer Mark A. Bazalak, 101 N. Detroit Street, Xenia, Ohio 45385.

**Miami Valley Regional Planning Commission**

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami, and Montgomery counties, and various cities residing within these counties. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses that affect the development of the region.

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Payments to the Commission are made from the General Fund. The City contributed \$11,831 for the operation of the Commission during 2013. Financial information may be obtained by writing to Brian O. Martin, Executive Director, 1 S. Main Street, Suite 260, Dayton, Ohio 45402.

**Greene County Agencies for Combined Enforcement (ACE Task Force)**

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. Payments to the Task Force are made from the Law Enforcement Fund. The City contributed \$10,500 during 2013. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beavercreek, Ohio 45432.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013***

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**NOTE 20 – RISK MANAGEMENT**

The City of Xenia is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the City belongs to the Public Entities Pool of Ohio (PEP). PEP is a risk-sharing pool (see Note 21) that provides property and liability coverages to public entities in the State of Ohio. Settlements have not exceeded coverage in any of the past three years. There has been no significant reduction in coverage from last year.

The City was also exposed to some level of risk related to health care costs. City employees participated in a fully insured health care plan provided by Medical Mutual of Ohio that capped the employee’s out of pocket expenses at \$5,000 for single plans and \$10,000 for family plans. The City provided an HRA account to participating employees that picked up a portion of the employees out of pocket expense. The City then purchased a stop loss policy that limited the City’s liability related to the HRA to \$197,500. Monies were expensed in the applicable funds and set aside for the purpose of covering the City’s portion of health care costs up to the \$197,500, therefore offsetting the risk in each affected fund. At December 31, 2013, the City had no liability related to the program, and all risk had been transferred to the stop loss insurer.

| Beginning Liability | Claims Incurred | Claims Paid  | Ending Liability |
|---------------------|-----------------|--------------|------------------|
| \$0.00              | \$197,500.00    | \$197,500.00 | \$0.00           |

**NOTE 21 – RISK SHARING POOL**

The Public Entities Pool of Ohio is a local government risk sharing pool formed in 1987 pursuant to Section 2744.081 of the Ohio Revised Code for the purpose of providing Ohio Public Entities an alternative to traditional insurance. PEP currently has nearly 450 members and has consistently received the highest of ratings from an independent rating firm for financial strength and management quality.

PEP is a legally separate entity but has no employees; instead it contracts with various service providers. The plan is underwritten and administered by American Risk Pooling Consultants (ARPCO) while claims services and loss control are provided by Public Entity Risk Services of Ohio (PERSO). Plante Moran provides auditing services, Fifth Third Bank is the investment advisor, and Demotech Inc. performs the rating analysis. Burnham & Flower Insurance Group and Wells Fargo Insurance Services market the pool.

PEP is governed by a seven-member board elected by the members of PEP. The City pays annual premiums for the coverage it is provided based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio 45402.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2013*

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**NOTE 22 – CONTINGENCIES**

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

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



***COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES***

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

*Nonmajor Governmental Funds*

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***Special Revenue Funds***

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

**Indigent Driver Alcohol Treatment Fund**

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

**Law Enforcement and Education Fund**

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

**Probation Services Fund**

To account for grant dollars received and fines and fees collected for probation service functions. Uses are restricted for community based corrections programs.

**State Route Repair Fund**

To account for the portion of gasoline tax and motor vehicle license fees required by state law to be used for maintenance of state highways within the City.

**City Motor Vehicle License Tax Fund**

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

**County Motor Vehicle License Tax Fund**

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

**Special Miscellaneous Improvements Fund**

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

**Tax Increment Equivalent Fund**

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

(Continued)

***Special Revenue Funds***

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**911 Fund**

To account for 911 surcharges related to wireless communications. Uses are restricted by state law to design, upgrade, purchase, lease, program, install, test, or maintain various aspects of the communication center.

**Law Enforcement Fund**

To account for the proceeds from sales of contraband seized during arrests on felony charges. To be used for law enforcement functions.

**Drug Law Enforcement Fund**

To account for proceeds of drug offenses, fines, and bond forfeitures. To be used for law enforcement functions.

**Municipal Court Victim Fund**

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

***Debt Service Fund***

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**Debt Service Fund**

To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

***Capital Projects Funds***

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

**Municipal Court Capital Improvements Fund**

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

**Issue II Fund**

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

**CITY OF XENIA, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

|   | Nonmajor<br>Special<br>Revenue Funds | Nonmajor Debt<br>Service Fund | Nonmajor<br>Capital Projects<br>Funds | Total Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------------|-------------------------------|---------------------------------------|---|
| <b>Assets:</b>  |                                      |                               |                                       |   |
| Cash and cash equivalents                                     | \$ 551,824                           | \$ 25,061                     | \$ 93,423                             | \$ 670,308                              |
| Investments   | 1,494,735                            | 67,891                        | 253,057                               | 1,815,683                               |
| Receivables:  |                                      |                               |                                       |   |
| Taxes, including interest, penalties and liens                | 30,000                               | 65,227                        | 0                                     | 95,227                                  |
| Intergovernmental   | 570,559                              | 9,663                         | 0                                     | 580,222                                 |
| Accounts  | 17,870                               | 0                             | 0                                     | 17,870                                  |
| Accrued interest  | 2,452                                | 115                           | 497                                   | 3,064                                   |
| Grants  | 21,001                               | 0                             | 0                                     | 21,001                                  |
| Prepaid items   | 37,434                               | 0                             | 34,763                                | 72,197                                  |
| <b>Total Assets</b>   | <b>\$ 2,725,875</b>                  | <b>\$ 167,957</b>             | <b>\$ 381,740</b>                     | <b>\$ 3,275,572</b>                     |
| <b>Liabilities:</b>   |                                      |                               |                                       |   |
| Accounts payable  | \$ 48,505                            | \$ 0                          | \$ 2,903                              | \$ 51,408                               |
| Accrued payroll   | 36,856                               | 0                             | 0                                     | 36,856                                  |
| <b>Total Liabilities</b>                                      | <b>85,361</b>                        | <b>0</b>                      | <b>2,903</b>                          | <b>88,264</b>                           |
| <b>Deferred Inflows of Resources</b>                          |                                      |                               |                                       |   |
| Property Taxes Levied for the Next Fiscal Year                | 30,000                               | 60,393                        | 0                                     | 90,393                                  |
| Delinquent Property Tax Revenue Unavailable                   | 0                                    | 4,834                         | 0                                     | 4,834                                   |
| Unavailable Revenue - Other                                   | 309,348                              | 9,692                         | 126                                   | 319,166                                 |
| <b>Total Deferred Inflows of Resources</b>                    | <b>339,348</b>                       | <b>74,919</b>                 | <b>126</b>                            | <b>414,393</b>                          |
| <b>Fund Balances:</b>   |                                      |                               |                                       |   |
| Nonspendable Fund balance                                     |                                      |                               |                                       |   |
| Prepaid items   | 37,434                               | 0                             | 34,763                                | 72,197                                  |
| Restricted Fund Balance                                       | 2,044,562                            | 93,038                        | 343,948                               | 2,481,548                               |
| Committed Fund Balance  | 219,170                              | 0                             | 0                                     | 219,170                                 |
| <b>Total Fund Balances</b>                                    | <b>2,301,166</b>                     | <b>93,038</b>                 | <b>378,711</b>                        | <b>2,772,915</b>                        |
| <b>Total Liabilities, Deferred Inflows, and Fund Balances</b> | <b>\$ 2,725,875</b>                  | <b>\$ 167,957</b>             | <b>\$ 381,740</b>                     | <b>\$ 3,275,572</b>                     |

**CITY OF XENIA, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Nonmajor<br>Special Revenue<br>Funds | Nonmajor Debt<br>Service Fund | Nonmajor<br>Capital Projects<br>Funds | Total Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------------|-------------------------------|---------------------------------------|---|
| <b>Revenues:</b>   |                                      |                               |                                       |   |
| Other local taxes  | \$ 66,037                            | \$ 66,342                     | \$ 0                                  | \$ 132,379                              |
| State shared taxes and permits                                   | 461,407                              | 14,466                        | 0                                     | 475,873                                 |
| Intergovernmental grants   | 182,104                              | 0                             | 390,271                               | 572,375                                 |
| Charges for services   | 14,821                               | 0                             | 0                                     | 14,821                                  |
| Fines, costs, forfeitures, licenses and permits                  | 292,703                              | 0                             | 83,654                                | 376,357                                 |
| Miscellaneous receipts and reimbursements,<br>including interest | 270,095                              | 81                            | 462                                   | 270,638                                 |
| <b>Total Revenue</b>   | 1,287,167                            | 80,889                        | 474,387                               | 1,842,443                               |
| <b>Expenditures:</b>   |                                      |                               |                                       |   |
| Current:   |                                      |                               |                                       |   |
| General government   | 709,840                              | 0                             | 0                                     | 709,840                                 |
| Public safety  | 275,353                              | 255                           | 0                                     | 275,608                                 |
| Highways and streets   | 123,264                              | 252                           | 0                                     | 123,516                                 |
| Economic Development & Assistance                                | 24,454                               | 0                             | 0                                     | 24,454                                  |
| Capital outlay   | 219,139                              | 0                             | 510,878                               | 730,017                                 |
| Debt service:  |                                      |                               |                                       |   |
| Principal retirement   | 25,000                               | 50,000                        | 14,478                                | 89,478                                  |
| Interest & fiscal charges  | 6,246                                | 12,954                        | 833                                   | 20,033                                  |
| <b>Total Expenditures</b>  | 1,383,296                            | 63,461                        | 526,189                               | 1,972,946                               |
| Excess (deficiency) of revenues<br>over expenditures             | (96,129)                             | 17,428                        | (51,802)                              | (130,503)                               |
| <b>Other financing sources (uses):</b>                           |                                      |                               |                                       |   |
| Transfers in   | 325,000                              | 0                             | 0                                     | 325,000                                 |
| <b>Total other financing sources (uses)</b>                      | 325,000                              | 0                             | 0                                     | 325,000                                 |
| Net change in fund balances                                      | 228,871                              | 17,428                        | (51,802)                              | 194,497                                 |
| <b>Fund Balances at Beginning of Year</b>                        | 2,072,295                            | 75,610                        | 430,513                               | 2,578,418                               |
| <b>Fund Balances End of Year</b>                                 | \$ 2,301,166                         | \$ 93,038                     | \$ 378,711                            | \$ 2,772,915                            |

**CITY OF XENIA, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2013**

|   | Indigent<br>Driver<br>Alcohol<br>Treatment | Law<br>Enforcement<br>and Education | Probation<br>Service | State Route<br>Repair | City Motor<br>Vehicle<br>License Tax |
|---|--|-------------------------------------|----------------------|-----------------------|--------------------------------------|
| <b>Assets:</b>  |  |                                     |                      |                       |                                      |
| Cash and cash equivalents                                     | \$ 77,937                                  | \$ 7,422                            | \$ 19,140            | \$ 51,514             | \$ 68,154                            |
| Investments   | 211,112                                    | 20,099                              | 51,837               | 139,545               | 184,608                              |
| Receivables:  |  |                                     |                      |                       |                                      |
| Taxes, including interest, penalties and liens                | 0  | 0                                   | 0                    | 0                     | 0                                    |
| Intergovernmental   | 0  | 0                                   | 0                    | 42,661                | 91,635                               |
| Accounts  | 5,446                                      | 0                                   | 0                    | 0                     | 0                                    |
| Accrued interest  | 405  | 40                                  | 78                   | 257                   | 352                                  |
| Grants  | 0  | 0                                   | 9,266                | 0                     | 0                                    |
| Prepaid items   | 25,000                                     | 0                                   | 345                  | 110                   | 0                                    |
| <b>Total Assets</b>   | <b>\$ 319,900</b>                          | <b>\$ 27,561</b>                    | <b>\$ 80,666</b>     | <b>\$ 234,087</b>     | <b>\$ 344,749</b>                    |
| <b>Liabilities:</b>   |  |                                     |                      |                       |                                      |
| Accounts payable  | \$ 1,179                                   | \$ 0                                | \$ 7,349             | \$ 20,555             | \$ 0                                 |
| Accrued payroll   | 0  | 0                                   | 19,687               | 0                     | 0                                    |
| <b>Total Liabilities</b>                                      | 1,179                                      | 0                                   | 27,036               | 20,555                | 0                                    |
| <b>Deferred Inflows of Resources</b>                          |  |                                     |                      |                       |                                      |
| Property Taxes Levied for the Next Fiscal Year                | 0  | 0                                   | 0                    | 0                     | 0                                    |
| Unavailable Revenue - Other                                   | 102  | 10                                  | 20                   | 27,174                | 60,434                               |
| <b>Total Deferred Inflows of Resources</b>                    | 102  | 10                                  | 20                   | 27,174                | 60,434                               |
| <b>Fund Balances:</b>   |  |                                     |                      |                       |                                      |
| Nonspendable Fund Balance                                     |  |                                     |                      |                       |                                      |
| Prepaid items   | 25,000                                     | 0                                   | 345                  | 110                   | 0                                    |
| Restricted Fund Balance                                       | 293,619                                    | 27,551                              | 53,265               | 186,248               | 284,315                              |
| Committed Fund Balance  | 0  | 0                                   | 0                    | 0                     | 0                                    |
| <b>Total Fund Balances</b>                                    | 318,619                                    | 27,551                              | 53,610               | 186,358               | 284,315                              |
| <b>Total Liabilities, Deferred Inflows, and Fund Balances</b> | <b>\$ 319,900</b>                          | <b>\$ 27,561</b>                    | <b>\$ 80,666</b>     | <b>\$ 234,087</b>     | <b>\$ 344,749</b>                    |

**CITY OF XENIA, OHIO**

| County<br>Motor Vehicle<br>License Tax | Special<br>Miscellaneous<br>Improvements | Tax Increment<br>Equivalent | 911               | Law<br>Enforcement | Drug Law<br>Enforcement | Municipal<br>Court Victim | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--|--|-----------------------------|-------------------|--------------------|-------------------------|---------------------------|--|
| \$ 8,373                               | \$ 59,258                                | \$ 11,631                   | \$ 74,286         | \$ 162,609         | \$ 8,810                | \$ 2,690                  | \$ 551,824                                       |
| 22,683                                 | 160,513                                  | 31,505                      | 201,221           | 440,470            | 23,860                  | 7,282                     | 1,494,735  |
| 0                                      | 0  | 30,000                      | 0                 | 0                  | 0                       | 0                         | 30,000   |
| 436,263                                | 0  | 0                           | 0                 | 0                  | 0                       | 0                         | 570,559  |
| 0                                      | 0  | 0                           | 12,424            | 0                  | 0                       | 0                         | 17,870   |
| 43                                     | 0  | 0                           | 459               | 759                | 44                      | 15                        | 2,452  |
| 0                                      | 0  | 0                           | 0                 | 0                  | 0                       | 11,735                    | 21,001   |
| 0                                      | 0  | 0                           | 0                 | 10,500             | 0                       | 1,479                     | 37,434   |
| <u>\$ 467,362</u>                      | <u>\$ 219,771</u>                        | <u>\$ 73,136</u>            | <u>\$ 288,390</u> | <u>\$ 614,338</u>  | <u>\$ 32,714</u>        | <u>\$ 23,201</u>          | <u>\$ 2,725,875</u>                              |
| \$ 0                                   | \$ 0                                     | \$ 4,749                    | \$ 4,581          | \$ 9,861           | \$ 0                    | \$ 231                    | \$ 48,505  |
| 0                                      | 601                                      | 0                           | 5,324             | 0                  | 0                       | 11,244                    | 36,856   |
| 0                                      | 601                                      | 4,749                       | 9,905             | 9,861              | 0                       | 11,475                    | 85,361   |
| 0                                      | 0  | 30,000                      | 0                 | 0                  | 0                       | 0                         | 30,000   |
| 220,986                                | 0  | 0                           | 116               | 192                | 11                      | 303                       | 309,348  |
| 220,986                                | 0  | 30,000                      | 116               | 192                | 11                      | 303                       | 339,348  |
| 0                                      | 0  | 0                           | 0                 | 10,500             | 0                       | 1,479                     | 37,434   |
| 246,376                                | 0  | 38,387                      | 278,369           | 593,785            | 32,703                  | 9,944                     | 2,044,562  |
| 0                                      | 219,170                                  | 0                           | 0                 | 0                  | 0                       | 0                         | 219,170  |
| 246,376                                | 219,170                                  | 38,387                      | 278,369           | 604,285            | 32,703                  | 11,423                    | 2,301,166  |
| <u>\$ 467,362</u>                      | <u>\$ 219,771</u>                        | <u>\$ 73,136</u>            | <u>\$ 288,390</u> | <u>\$ 614,338</u>  | <u>\$ 32,714</u>        | <u>\$ 23,201</u>          | <u>\$ 2,725,875</u>                              |

**CITY OF XENIA, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Indigent<br>Driver<br>Alcohol<br>Treatment | Law<br>Enforcement<br>and Education | Probation<br>Service | State Route<br>Repair | City Motor<br>Vehicle<br>License Tax |
|--|--|-------------------------------------|----------------------|-----------------------|--------------------------------------|
| <b>Revenues:</b>   |  |                                     |                      |                       |                                      |
| Other local taxes  | \$ 0                                       | \$ 0                                | \$ 0                 | \$ 0                  | \$ 0                                 |
| State shared taxes and permits                                   | 0  | 0                                   | 0                    | 77,005                | 169,114                              |
| Intergovernmental grants   | 0  | 0                                   | 119,082              | 0                     | 0                                    |
| Charges for services   | 0  | 0                                   | 14,821               | 0                     | 0                                    |
| Fines, costs, forfeitures, licenses and permits                  | 35,396                                     | 1,518                               | 97,080               | 0                     | 0                                    |
| Miscellaneous receipts and reimbursements,<br>including interest | 312  | 39                                  | 0                    | 308                   | 608                                  |
| <b>Total Revenue</b>   | <b>35,708</b>                              | <b>1,557</b>                        | <b>230,983</b>       | <b>77,313</b>         | <b>169,722</b>                       |
| <b>Expenditures:</b>   |  |                                     |                      |                       |                                      |
| Current:   |  |                                     |                      |                       |                                      |
| General government   | 56,814                                     | 0                                   | 465,415              | 0                     | 0                                    |
| Public safety  | 0  | 5,118                               | 0                    | 0                     | 0                                    |
| Highways and streets   | 0  | 0                                   | 0                    | 90,749                | 0                                    |
| Economic Development & Assistance                                | 0  | 0                                   | 0                    | 0                     | 0                                    |
| Capital outlay   | 0  | 0                                   | 0                    | 0                     | 150,000                              |
| Debt service:  |  |                                     |                      |                       |                                      |
| Principal retirement   | 0  | 0                                   | 0                    | 0                     | 25,000                               |
| Interest & fiscal charges  | 0  | 0                                   | 0                    | 0                     | 6,246                                |
| <b>Total Expenditures</b>  | <b>56,814</b>                              | <b>5,118</b>                        | <b>465,415</b>       | <b>90,749</b>         | <b>181,246</b>                       |
| Excess (deficiency) of revenues<br>over expenditures             | (21,106)                                   | (3,561)                             | (234,432)            | (13,436)              | (11,524)                             |
| <b>Other financing sources (uses):</b>                           |  |                                     |                      |                       |                                      |
| Transfers in   | 0  | 0                                   | 245,000              | 0                     | 0                                    |
| <b>Total other financing sources (uses)</b>                      | <b>0</b>                                   | <b>0</b>                            | <b>245,000</b>       | <b>0</b>              | <b>0</b>                             |
| Net Change in Fund Balances                                      | (21,106)                                   | (3,561)                             | 10,568               | (13,436)              | (11,524)                             |
| <b>Fund Balances at Beginning of Year</b>                        | <b>339,725</b>                             | <b>31,112</b>                       | <b>43,042</b>        | <b>199,794</b>        | <b>295,839</b>                       |
| <b>Fund Balances End of Year</b>                                 | <b>\$ 318,619</b>                          | <b>\$ 27,551</b>                    | <b>\$ 53,610</b>     | <b>\$ 186,358</b>     | <b>\$ 284,315</b>                    |



**CITY OF XENIA, OHIO**

| County<br>Motor Vehicle<br>License Tax | Special<br>Miscellaneous<br>Improvements | Tax Increment<br>Equivalent | 911               | Law<br>Enforcement | Drug Law<br>Enforcement | Municipal<br>Court Victim | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--|--|-----------------------------|-------------------|--------------------|-------------------------|---------------------------|--|
| \$ 0                                   | \$ 0                                     | \$ 66,037                   | \$ 0              | \$ 0               | \$ 0                    | \$ 0                      | \$ 66,037  |
| 215,288                                | 0  | 0                           | 0                 | 0                  | 0                       | 0                         | 461,407  |
| 0                                      | 0  | 0                           | 0                 | 0                  | 0                       | 63,022                    | 182,104  |
| 0                                      | 0  | 0                           | 0                 | 0                  | 0                       | 0                         | 14,821   |
| 0                                      | 0  | 0                           | 125,693           | 0                  | 700                     | 32,316                    | 292,703  |
| 30                                     | 97,287                                   | 0                           | 26,143            | 143,711            | 29                      | 1,628                     | 270,095  |
| <u>215,318</u>                         | <u>97,287</u>                            | <u>66,037</u>               | <u>151,836</u>    | <u>143,711</u>     | <u>729</u>              | <u>96,966</u>             | <u>1,287,167</u>                                 |
| 0                                      | 0  | 2,021                       | 0                 | 0                  | 0                       | 185,590                   | 709,840  |
| 0                                      | 0  | 0                           | 230,628           | 39,607             | 0                       | 0                         | 275,353  |
| 0                                      | 27,895                                   | 4,620                       | 0                 | 0                  | 0                       | 0                         | 123,264  |
| 0                                      | 0  | 24,454                      | 0                 | 0                  | 0                       | 0                         | 24,454   |
| 0                                      | 0  | 0                           | 51,079            | 18,060             | 0                       | 0                         | 219,139  |
| 0                                      | 0  | 0                           | 0                 | 0                  | 0                       | 0                         | 25,000   |
| 0                                      | 0  | 0                           | 0                 | 0                  | 0                       | 0                         | 6,246  |
| <u>0</u>                               | <u>27,895</u>                            | <u>31,095</u>               | <u>281,707</u>    | <u>57,667</u>      | <u>0</u>                | <u>185,590</u>            | <u>1,383,296</u>                                 |
| 215,318                                | 69,392                                   | 34,942                      | (129,871)         | 86,044             | 729                     | (88,624)                  | (96,129)   |
| <u>0</u>                               | <u>0</u>                                 | <u>0</u>                    | <u>0</u>          | <u>0</u>           | <u>0</u>                | <u>80,000</u>             | <u>325,000</u>                                   |
| <u>0</u>                               | <u>0</u>                                 | <u>0</u>                    | <u>0</u>          | <u>0</u>           | <u>0</u>                | <u>80,000</u>             | <u>325,000</u>                                   |
| 215,318                                | 69,392                                   | 34,942                      | (129,871)         | 86,044             | 729                     | (8,624)                   | 228,871  |
| 31,058                                 | 149,778                                  | 3,445                       | 408,240           | 518,241            | 31,974                  | 20,047                    | 2,072,295  |
| <u>\$ 246,376</u>                      | <u>\$ 219,170</u>                        | <u>\$ 38,387</u>            | <u>\$ 278,369</u> | <u>\$ 604,285</u>  | <u>\$ 32,703</u>        | <u>\$ 11,423</u>          | <u>\$ 2,301,166</u>                              |

**CITY OF XENIA, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2013**

|   | Municipal<br>Court Capital<br>Improvements | Issue II      | Total Nonmajor<br>Capital Projects<br>Funds |
|---|--|---------------|---|
| <b>Assets:</b>  |  |               |   |
| Cash and cash equivalents                                     | \$ 93,176                                  | \$ 247        | \$ 93,423                                   |
| Investments   | 252,389                                    | 668           | 253,057                                     |
| Receivables:  |  |               |   |
| Accrued interest  | 497  | 0             | 497   |
| Prepaid items   | 34,763                                     | 0             | 34,763                                      |
| <b>Total Assets</b>   | <b>\$ 380,825</b>                          | <b>\$ 915</b> | <b>\$ 381,740</b>                           |
| <b>Liabilities:</b>   |  |               |   |
| Accounts payable  | \$ 2,903                                   | \$ 0          | \$ 2,903                                    |
| <b>Total Liabilities</b>                                      | 2,903                                      | 0             | 2,903                                       |
| <b>Deferred Inflows of Resources</b>                          |  |               |   |
| Unavailable Revenue - Other                                   | 126  | 0             | 126   |
| <b>Total Deferred Inflows of Resources</b>                    | 126  | 0             | 126   |
| <b>Fund Balances:</b>   |  |               |   |
| Nonspendable Fund Balance                                     |  |               |   |
| Prepaid items   | 34,763                                     | 0             | 34,763                                      |
| Restricted Fund Balance                                       | 343,033                                    | 915           | 343,948                                     |
| <b>Total Fund Balances</b>                                    | 377,796                                    | 915           | 378,711                                     |
| <b>Total Liabilities, Deferred Inflows, and Fund Balances</b> | <b>\$ 380,825</b>                          | <b>\$ 915</b> | <b>\$ 381,740</b>                           |

**CITY OF XENIA, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Municipal Court<br>Capital<br>Improvements | Issue II       | Total Nonmajor<br>Capital Projects<br>Funds |
|--|--|----------------|---|
| <b>Revenues:</b>   |  |                |   |
| Intergovernmental grants   | \$ 0                                       | \$ 390,271     | \$ 390,271                                  |
| Fines, costs, forfeitures, licenses and permits                  | 83,654                                     | 0              | 83,654                                      |
| Miscellaneous receipts and reimbursements,<br>including interest | 462  | 0              | 462   |
| <b>Total Revenue</b>   | <b>84,116</b>                              | <b>390,271</b> | <b>474,387</b>                              |
| <b>Expenditures:</b>   |  |                |   |
| Current:   |  |                |   |
| Capital outlay   | 120,602                                    | 390,276        | 510,878                                     |
| Debt service:  |  |                |   |
| Principal retirement   | 14,478                                     | 0              | 14,478                                      |
| Interest & fiscal charges  | 833  | 0              | 833   |
| <b>Total Expenditures</b>  | <b>135,913</b>                             | <b>390,276</b> | <b>526,189</b>                              |
| Net change in fund balances                                      | (51,797)                                   | (5)            | (51,802)                                    |
| <b>Fund Balances at Beginning of Year</b>                        | <b>429,593</b>                             | <b>920</b>     | <b>430,513</b>                              |
| <b>Fund Balances End of Year</b>                                 | <b>\$ 377,796</b>                          | <b>\$ 915</b>  | <b>\$ 378,711</b>                           |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>GENERAL FUND</b>  |                 |              |              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|--------------|---|
|  | Original Budget | Final Budget | Actual       |   |
| <b>Revenues:</b>   |                 |              |              |   |
| Municipal Income Taxes   | \$ 5,198,334    | \$ 5,198,334 | \$ 5,197,788 | \$ (546)  |
| Other Local Taxes  | 1,174,000       | 1,174,000    | 1,193,200    | 19,200  |
| State Shared Taxes and Permits                                   | 1,027,999       | 1,627,999    | 1,545,154    | (82,845)  |
| Charges for Services   | 24,500          | 24,500       | 20,422       | (4,078)   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | 976,700         | 976,700      | 972,845      | (3,855)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 413,223         | 413,223      | 445,429      | 32,206  |
| Total Revenues   | 8,814,756       | 9,414,756    | 9,374,838    | (39,918)  |
| <b>Expenditures:</b>   |                 |              |              |   |
| General Government:  |                 |              |              |   |
| City Council and General Government:                             |                 |              |              |   |
| Personnel Services   | 33,233          | 34,340       | 34,337       | 3   |
| General Operating Expenses                                       | 10,838          | 10,838       | 9,445        | 1,393   |
| Contractual Services   | 87,147          | 131,047      | 101,287      | 29,760  |
| Materials and Supplies   | 4,000           | 2,900        | 2,269        | 631   |
| Contributions  | 87,866          | 90,203       | 90,203       | 0   |
| Total City Council and General Government                        | 223,084         | 269,328      | 237,541      | 31,787  |
| Municipal Court:   |                 |              |              |   |
| Personnel Services   | 995,562         | 1,010,823    | 1,010,820    | 3   |
| General Operating Expenses                                       | 20,054          | 22,029       | 21,711       | 318   |
| Contractual Services   | 85,539          | 86,738       | 81,492       | 5,246   |
| Materials and Supplies   | 14,656          | 17,006       | 17,658       | (652)   |
| Contributions  | 52,621          | 52,621       | 30,251       | 22,370  |
| Total Municipal Court  | 1,168,432       | 1,189,217    | 1,161,932    | 27,285  |
| City Law Department:   |                 |              |              |   |
| Personnel Services   | 142,958         | 142,958      | 142,797      | 161   |
| General Operating Expenses                                       | 4,275           | 3,875        | 3,244        | 631   |
| Contractual Services   | 19,306          | 19,946       | 17,732       | 2,214   |
| Materials and Supplies   | 6,165           | 6,165        | 4,912        | 1,253   |
| Total City Law Department  | 172,704         | 172,944      | 168,685      | 4,259   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>GENERAL FUND</b>                           |                        |                     |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------|---------------------|----------------|---|
|   | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>  |   |
| City Manager's Office:                        |                        |                     |                |   |
| Personnel Services                            | 103,808                | 103,808             | 103,190        | 618   |
| General Operating Expenses                    | 4,870                  | 5,370               | 2,983          | 2,387   |
| Contractual Services                          | 12,662                 | 12,902              | 11,390         | 1,512   |
| Materials and Supplies                        | 5,858                  | 5,358               | 4,018          | 1,340   |
| Total City Manager's Office                   | <u>127,198</u>         | <u>127,438</u>      | <u>121,581</u> | <u>5,857</u>  |
| Personnel Office:                             |                        |                     |                |   |
| Personnel Services                            | 21,512                 | 21,656              | 21,651         | 5   |
| General Operating Expenses                    | 1,545                  | 1,545               | 858            | 687   |
| Contractual Services                          | 60,777                 | 56,338              | 50,286         | 6,052   |
| Materials and Supplies                        | 4,892                  | 10,651              | 10,338         | 313   |
| Total Personnel Office                        | <u>88,726</u>          | <u>90,190</u>       | <u>83,133</u>  | <u>7,057</u>  |
| Finance Office:                               |                        |                     |                |   |
| Personnel Services                            | 80,975                 | 80,975              | 80,915         | 60  |
| General Operating Expenses                    | 720                    | 720                 | 595            | 125   |
| Contractual Services                          | 56,689                 | 57,951              | 39,682         | 18,269  |
| Materials and Supplies                        | 5,664                  | 5,352               | 5,498          | (146)   |
| Total Finance Office                          | <u>144,048</u>         | <u>144,998</u>      | <u>126,690</u> | <u>18,308</u>   |
| Income Tax:                                   |                        |                     |                |   |
| Personnel Services                            | 276,314                | 279,324             | 275,320        | 4,004   |
| General Operating Expenses                    | 6,803                  | 6,803               | 5,347          | 1,456   |
| Contractual Services                          | 62,962                 | 62,467              | 64,510         | (2,043)   |
| Materials and Supplies                        | 4,473                  | 5,208               | 5,569          | (361)   |
| Total Income Tax                              | <u>350,552</u>         | <u>353,802</u>      | <u>350,746</u> | <u>3,056</u>  |
| Municipal Building and General Services:      |                        |                     |                |   |
| Contractual Services                          | 175,093                | 199,675             | 186,279        | 13,396  |
| Materials and Supplies                        | 4,661                  | 3,079               | 2,849          | 230   |
| Total Municipal Building and General Services | <u>179,754</u>         | <u>202,754</u>      | <u>189,128</u> | <u>13,626</u>   |

(Continued)

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>GENERAL FUND</b>         |                        |                     |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|------------------------|---------------------|----------------|---|
|                             | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>  |   |
| Data Processing:            |                        |                     |                |   |
| Personnel Services          | 33,565                 | 33,565              | 33,376         | 189   |
| General Operating Expenses  | 8,500                  | 9,600               | 9,481          | 119   |
| Contractual Services        | 162,808                | 164,362             | 165,879        | (1,517)   |
| Materials and Supplies      | 24,176                 | 21,682              | 19,660         | 2,022   |
| Total Data Processing       | <u>229,049</u>         | <u>229,209</u>      | <u>228,396</u> | <u>813</u>  |
| Clerk of City Council:      |                        |                     |                |   |
| Personnel Services          | 32,054                 | 32,054              | 31,367         | 687   |
| General Operating Expenses  | 0                      | 230                 | 230            | 0   |
| Contractual Services        | 16,993                 | 19,671              | 19,546         | 125   |
| Materials and Supplies      | 1,799                  | 1,971               | 1,970          | 1   |
| Total Clerk of City Council | <u>50,846</u>          | <u>53,926</u>       | <u>53,113</u>  | <u>813</u>  |
| Volunteer Program:          |                        |                     |                |   |
| General Operating Expenses  | 1,750                  | 1,750               | 0              | 1,750   |
| Contractual Services        | 1,865                  | 1,865               | 0              | 1,865   |
| Materials and Supplies      | 2,100                  | 2,100               | 0              | 2,100   |
| Total Volunteer Program     | <u>5,715</u>           | <u>5,715</u>        | <u>0</u>       | <u>5,715</u>  |
| Public Affairs & CATV:      |                        |                     |                |   |
| Personnel Services          | 1,769                  | 1,769               | 1,158          | 611   |
| Contractual Services        | 11,700                 | 11,700              | 8,939          | 2,761   |
| Materials and Supplies      | 5,000                  | 5,000               | 2,875          | 2,125   |
| Total Public Affairs & CATV | <u>18,469</u>          | <u>18,469</u>       | <u>12,972</u>  | <u>5,497</u>  |
| Property Maintenance:       |                        |                     |                |   |
| Personnel Services          | 46,580                 | 46,580              | 17,395         | 29,185  |
| General Operating Expenses  | 115                    | 115                 | 105            | 10  |
| Contractual Services        | 19,474                 | 96,107              | 25,867         | 70,240  |
| Materials and Supplies      | 2,758                  | 1,205               | 866            | 339   |
| Total Property Maintenance  | <u>68,927</u>          | <u>144,007</u>      | <u>44,233</u>  | <u>99,774</u>   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <b>GENERAL FUND</b>    |                     |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------|---------------------|------------------|---|
|   | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>    |   |
| Planning:                               |                        |                     |                  |   |
| Personnel Services                      | 84,178                 | 84,178              | 84,085           | 93  |
| General Operating Expenses              | 2,380                  | 2,630               | 2,556            | 74  |
| Contractual Services                    | 30,851                 | 30,586              | 26,863           | 3,723   |
| Materials and Supplies                  | 721                    | 896                 | 589              | 307   |
| Total Planning                          | <u>118,130</u>         | <u>118,290</u>      | <u>114,093</u>   | <u>4,197</u>  |
| Total General Government                | <u>2,945,634</u>       | <u>3,120,287</u>    | <u>2,892,243</u> | <u>228,044</u>  |
| Civil Defense:                          |                        |                     |                  |   |
| General Operating Expenses              | 500                    | 500                 | 0                | 500   |
| Contractual Services                    | 24,636                 | 22,636              | 19,238           | 3,398   |
| Materials and Supplies                  | 500                    | 2,500               | 2,000            | 500   |
| Total Civil Defense                     | <u>25,636</u>          | <u>25,636</u>       | <u>21,238</u>    | <u>4,398</u>  |
| Engineering:                            |                        |                     |                  |   |
| Personnel Services                      | 28,218                 | 32,344              | 32,340           | 4   |
| General Operating Expenses              | 484                    | 906                 | 905              | 1   |
| Contractual Services                    | 39,830                 | 39,903              | 32,476           | 7,427   |
| Materials and Supplies                  | 2,749                  | 2,494               | 1,927            | 567   |
| Total Engineering                       | <u>71,281</u>          | <u>75,647</u>       | <u>67,648</u>    | <u>7,999</u>  |
| Construction Inspection:                |                        |                     |                  |   |
| Personnel Services                      | 19,120                 | 19,733              | 19,731           | 2   |
| General Operating Expenses              | 113                    | 113                 | 50               | 63  |
| Contractual Services                    | 6,878                  | 6,958               | 6,868            | 90  |
| Materials and Supplies                  | 1,052                  | 1,052               | 824              | 228   |
| Total Construction Inspection           | <u>27,163</u>          | <u>27,856</u>       | <u>27,473</u>    | <u>383</u>  |
| Total Public Safety                     | <u>124,080</u>         | <u>129,139</u>      | <u>116,359</u>   | <u>12,780</u>   |
| Economic Development & Assistance:      |                        |                     |                  |   |
| Personnel Services                      | 124,634                | 124,634             | 117,601          | 7,033   |
| Contractual Services                    | 237                    | 83,897              | 71,025           | 12,872  |
| Materials and Supplies                  | 26                     | 26                  | 26               | 0   |
| Total Economic Development & Assistance | <u>124,897</u>         | <u>208,557</u>      | <u>188,652</u>   | <u>19,905</u>   |

(Continued)

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>GENERAL FUND</b>                     |                        |                     |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------|---------------------|------------------|---|
|   | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>    |   |
| Personnel Services                      | 124,634                | 124,634             | 117,601          | 7,033   |
| Contractual Services                    | 237                    | 83,897              | 71,025           | 12,872  |
| Materials and Supplies                  | <u>26</u>              | <u>26</u>           | <u>26</u>        | <u>0</u>  |
| Total Economic Development & Assistance | 124,897                | 208,557             | 188,652          | 19,905  |
| <b>Highways and Streets:</b>            |                        |                     |                  |   |
| <b>Street Lighting:</b>                 |                        |                     |                  |   |
| Contractual Services                    | <u>254,265</u>         | <u>254,265</u>      | <u>264,511</u>   | <u>(10,246)</u>   |
| Total Highways and Streets              | <u>254,265</u>         | <u>254,265</u>      | <u>264,511</u>   | <u>(10,246)</u>   |
| <b>Urban Redevelopment and Housing:</b> |                        |                     |                  |   |
| Personnel Services                      | 72,844                 | 72,844              | 70,866           | 1,978   |
| General Operating Expenses              | 715                    | 815                 | 500              | 315   |
| Contractual Services                    | 13,860                 | 13,840              | 11,173           | 2,667   |
| Materials and Supplies                  | <u>1,563</u>           | <u>1,563</u>        | <u>624</u>       | <u>939</u>  |
| Total Urban Redevelopment & Housing     | <u>88,982</u>          | <u>89,062</u>       | <u>83,163</u>    | <u>5,899</u>  |
| <b>Xenia Station:</b>                   |                        |                     |                  |   |
| Contractual Services                    | 11,761                 | 12,161              | 11,664           | 497   |
| Materials and Supplies                  | <u>3,422</u>           | <u>3,022</u>        | <u>2,792</u>     | <u>230</u>  |
| Total Xenia Station                     | 15,183                 | 15,183              | 14,456           | 727   |
| <b>General Park Maintenance:</b>        |                        |                     |                  |   |
| Personnel Services                      | 70,310                 | 70,310              | 69,978           | 332   |
| General Operating Expenses              | 738                    | 1,238               | 1,095            | 143   |
| Contractual Services                    | 93,286                 | 95,441              | 80,869           | 14,572  |
| Materials and Supplies                  | <u>19,120</u>          | <u>18,045</u>       | <u>16,436</u>    | <u>1,609</u>  |
| Total General Park Maintenance          | <u>183,454</u>         | <u>185,034</u>      | <u>168,378</u>   | <u>16,656</u>   |
| Total Recreation                        | <u>198,637</u>         | <u>200,217</u>      | <u>182,834</u>   | <u>17,383</u>   |
| Total Expenditures                      | <u>3,736,495</u>       | <u>4,001,527</u>    | <u>3,727,762</u> | <u>273,765</u>  |
| <b>Excess (Deficiency) of Revenues</b>  |                        |                     |                  |   |
| Over (Under) Expenditures               | 5,078,261              | 5,413,229           | 5,647,076        | 233,847   |



**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <b>GENERAL FUND</b>    |                     |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|---------------------|---|
|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>       |   |
| <b>Other Financing Sources (Uses):</b> |                        |                     |                     |   |
| Transfers In                           | 0                      | 3,000               | 3,000               | 0   |
| Transfers Out                          | (6,575,000)            | (6,601,670)         | (4,828,000)         | 1,773,670   |
| Advances In                            | 291,000                | 1,291,000           | 211,000             | (1,080,000)   |
| Advances Out                           | (221,000)              | (1,221,000)         | (141,000)           | 1,080,000   |
| Total Other Financing Sources (Uses)   | <u>(6,505,000)</u>     | <u>(6,528,670)</u>  | <u>(4,755,000)</u>  | <u>1,773,670</u>  |
| Net Change in Fund Balance             | (1,426,739)            | (1,115,441)         | 892,076             | 2,007,517   |
| Fund Balance at Beginning of Year      | 1,663,594              | 1,663,594           | 1,663,594           | 0   |
| Prior Year Encumbrances                | 133,292                | 133,292             | 133,292             | 0   |
| Fund Balance at End of Year            | <u>\$ 370,147</u>      | <u>\$ 681,445</u>   | <u>\$ 2,688,962</u> | <u>\$ 2,007,517</u>                                     |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**STATE GAS AND VEHICLE LICENSE FUND**

|  | Original Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|------------|---|
| <b>Revenues:</b>   |                 |              |            |   |
| State Shared Taxes and Permits                                   | \$ 995,000      | \$ 995,000   | \$ 949,378 | \$ (45,622)   |
| Charges for Services   | 4,000           | 4,000        | 1,030      | (2,970)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 2,500           | 2,500        | 15,529     | 13,029  |
| Total Revenues   | 1,001,500       | 1,001,500    | 965,937    | (35,563)  |
| <b>Expenditures:</b>   |                 |              |            |   |
| Highways and Streets - Current:                                  |                 |              |            |   |
| Personnel Services   | 656,306         | 656,306      | 654,938    | 1,368   |
| General Operating  | 753             | 753          | 60         | 693   |
| Contractual Services   | 193,234         | 197,214      | 167,866    | 29,348  |
| Materials and Supplies   | 162,601         | 160,051      | 192,331    | (32,280)  |
| Non-governmental   | 15,000          | 15,000       | 1,030      | 13,970  |
| Total Expenditures   | 1,027,894       | 1,029,324    | 1,016,225  | 13,099  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | (26,394)        | (27,824)     | (50,288)   | (22,464)  |
| <b>Other Financing Sources (Uses):</b>                           |                 |              |            |   |
| Transfers In   | 100,000         | 100,000      | 0          | (100,000)   |
| Total Other Financing Sources (Uses)                             | 100,000         | 100,000      | 0          | (100,000)   |
| Net Change in Fund Balance                                       | 73,606          | 72,176       | (50,288)   | (122,464)   |
| Fund Balance at Beginning of Year                                | 162,032         | 162,032      | 162,032    | 0   |
| Prior Year Encumbrances  | 89,304          | 89,304       | 89,304     | 0   |
| Fund Balance at End of Year                                      | \$ 324,942      | \$ 323,512   | \$ 201,048 | \$ (122,464)  |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>POLICE AND FIRE FUND</b>                                      |                 |              |              | Variance with<br>Final Budget<br>Positive<br>Negative |
|--|-----------------|--------------|--------------|---|
|  | Original Budget | Final Budget | Actual       | (Negative)  |
| <b>Revenues:</b>   |                 |              |              |   |
| Municipal Income Taxes   | \$ 5,023,334    | \$ 5,023,334 | \$ 5,163,650 | \$ 140,316  |
| Other Local Taxes  | 186,000         | 186,000      | 199,026      | 13,026  |
| State Shared Taxes and Permits                                   | 34,300          | 34,300       | 33,602       | (698)   |
| Intergovernmental Grants   | 323,000         | 323,000      | 314,487      | (8,513)   |
| Charges for Services   | 1,807,929       | 1,807,929    | 1,734,991    | (72,938)  |
| Fines, Costs, Forfeitures, Licenses and Permits                  | 12,000          | 12,000       | 8,053        | (3,947)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 95,000          | 95,000       | 187,014      | 92,014  |
| Total Revenues   | 7,481,563       | 7,481,563    | 7,640,823    | 159,260   |
| <b>Expenditures:</b>   |                 |              |              |   |
| Public Safety - Current:   |                 |              |              |   |
| Police:  |                 |              |              |   |
| Personnel Services   | 5,050,024       | 5,239,822    | 5,241,165    | (1,343)   |
| General Operating  | 24,350          | 32,738       | 28,357       | 4,381   |
| Contractual Services   | 629,015         | 915,229      | 556,399      | 358,830   |
| Materials and Supplies   | 167,238         | 187,468      | 195,491      | (8,023)   |
| Total Police   | 5,870,627       | 6,375,257    | 6,021,412    | 353,845   |
| Fire:  |                 |              |              |   |
| Personnel Services   | 4,309,816       | 4,390,315    | 4,390,312    | 3   |
| General Operating  | 14,565          | 14,585       | 12,995       | 1,590   |
| Contractual Services   | 455,570         | 453,975      | 433,084      | 20,891  |
| Materials & Supplies   | 136,246         | 154,796      | 139,243      | 15,553  |
| Total Fire   | 4,916,197       | 5,013,671    | 4,975,634    | 38,037  |
| Communications:  |                 |              |              |   |
| Personnel Services   | 1,136,135       | 1,181,450    | 1,181,448    | 2   |
| General Operating Expense  | 4,025           | 3,775        | 2,415        | 1,360   |
| Contractual Services   | 126,208         | 128,840      | 120,219      | 8,621   |
| Materials & Supplies   | 29,330          | 52,930       | 51,564       | 1,366   |
| Total Communications   | 1,295,698       | 1,366,995    | 1,355,646    | 11,349  |

(Continued)

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|-------------------|---|
| <b>POLICE AND FIRE FUND</b>                                  |                        |                     |                   |   |
| Capital Outlay:  |                        |                     |                   |   |
| Capital Improvements   | 1,255,679              | 1,584,366           | 2,093,545         | (509,179)   |
| Debt Service:  |                        |                     |                   |   |
| Principal Retirement   | 218,545                | 218,545             | 166,542           | 52,003  |
| Interest and Fiscal Charges                                  | 29,745                 | 29,745              | 13,742            | 16,003  |
| Total Debt Service   | <u>248,290</u>         | <u>248,290</u>      | <u>180,284</u>    | <u>68,006</u>   |
| Total Expenditures   | <u>13,586,491</u>      | <u>14,588,579</u>   | <u>14,626,521</u> | <u>(37,942)</u>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (6,104,928)            | (7,107,016)         | (6,985,698)       | 121,318   |
| <b>Other Financing Sources (Uses):</b>                       |                        |                     |                   |   |
| Proceeds from Capital Lease                                  | 440,000                | 880,000             | 900,549           | 20,549  |
| Proceeds from Sale of Notes                                  | 540,000                | 400,000             | 0                 | (400,000)   |
| Transfers In   | 6,120,000              | 6,120,000           | 4,500,000         | (1,620,000)   |
| Total Other Financing Sources (Uses)                         | <u>7,100,000</u>       | <u>7,400,000</u>    | <u>5,400,549</u>  | <u>(1,999,451)</u>                                      |
| Net Change in Fund Balance                                   | 995,072                | 292,984             | (1,585,149)       | (1,878,133)   |
| Fund Balance at Beginning of Year                            | 1,349,115              | 1,349,115           | 1,349,115         | 0   |
| Prior Year Encumbrances                                      | 738,511                | 738,511             | 738,511           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 3,082,698</u>    | <u>\$ 2,380,610</u> | <u>\$ 502,477</u> | <u>\$ (1,878,133)</u>                                   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>CAPITAL IMPROVEMENTS</b>               |                     |                     |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|-----------------------|---|
|   | Original Budget     | Final Budget        | Actual                |   |
| <b>Revenues:</b>                          |                     |                     |                       |   |
| Municipal Income Taxes                    | \$ 1,263,352        | \$ 1,263,352        | \$ 1,290,912          | \$ 27,560   |
| Other Local Taxes                         | 20,000              | 20,000              | 39,317                | 19,317  |
| Intergovernmental Grants                  | 4,541,995           | 5,614,442           | 2,214,086             | (3,400,356)   |
| Charges for Services                      | 0                   | 0                   | 625                   | 625   |
| Miscellaneous Receipts and Reimbursements |                     |                     |                       |   |
| Including Interest                        | 63,501              | 63,501              | 90,455                | 26,954  |
| Total Revenues                            | <u>5,888,848</u>    | <u>6,961,295</u>    | <u>3,635,395</u>      | <u>(3,325,900)</u>                                      |
| <b>Expenditures:</b>                      |                     |                     |                       |   |
| Capital Outlay:                           |                     |                     |                       |   |
| Contractual Services                      | 2,125,150           | 3,263,247           | 3,490,294             | (227,047)   |
| Materials and Supplies                    | 81,000              | 79,160              | 42,443                | 36,717  |
| Capital Improvements                      | 5,208,422           | 5,650,243           | 3,817,381             | 1,832,862   |
| Debt Service:                             |                     |                     |                       |   |
| Principal Retirement                      | 146,819             | 146,819             | 146,818               | 1   |
| Interest and Fiscal Charges               | 22,345              | 22,345              | 22,339                | 6   |
| Total Expenditures                        | <u>7,583,736</u>    | <u>9,161,814</u>    | <u>7,519,275</u>      | <u>1,642,539</u>  |
| Excess (Deficiency) of Revenues           |                     |                     |                       |   |
| Over (Under) Expenditures                 | (1,694,888)         | (2,200,519)         | (3,883,880)           | (1,683,361)   |
| <b>Other Financing Sources (Uses):</b>    |                     |                     |                       |   |
| Proceeds from General Obligation Bonds    | 1,495,230           | 1,495,230           | 0                     | (1,495,230)   |
| Transfers In                              | 0                   | 23,670              | 0                     | (23,670)  |
| Advances In                               | 0                   | 1,000,000           | 0                     | (1,000,000)   |
| Advances Out                              | 0                   | (1,000,000)         | 0                     | 1,000,000   |
| Total Other Financing Sources (Uses)      | <u>1,495,230</u>    | <u>1,518,900</u>    | <u>0</u>              | <u>(1,518,900)</u>                                      |
| Net Change in Fund Balance                | (199,658)           | (681,619)           | (3,883,880)           | (3,202,261)   |
| Fund Balance at Beginning of Year         | 877,949             | 877,949             | 877,949               | 0   |
| Prior Year Encumbrances                   | 831,603             | 831,603             | 831,603               | 0   |
| Fund Balance at End of Year               | <u>\$ 1,509,894</u> | <u>\$ 1,027,933</u> | <u>\$ (2,174,328)</u> | <u>\$ (3,202,261)</u>                                   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**INDIGENT DRIVER ALCOHOL TREATMENT**

|  | Original Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|------------|---|
| <b>Revenues:</b>   |                 |              |            |   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | \$ 40,000       | \$ 40,000    | \$ 35,342  | \$ (4,658)  |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 3,000           | 3,000        | 1,826      | (1,174)   |
| Total Revenues   | 43,000          | 43,000       | 37,168     | (5,832)   |
| <b>Expenditures:</b>   |                 |              |            |   |
| Public Safety - Current:   |                 |              |            |   |
| Contractual Services   | 44,428          | 44,058       | 8,820      | 35,238  |
| Materials and Supplies   | 0               | 370          | 0          | 370   |
| Contributions  | 50,000          | 50,000       | 50,000     | 0   |
| Total Expenditures   | 94,428          | 94,428       | 58,820     | 35,608  |
| Net Change in Fund Balance                                       | (51,428)        | (51,428)     | (21,652)   | 29,776  |
| Fund Balance at Beginning of Year                                | 303,152         | 303,152      | 303,152    | 0   |
| Prior Year Encumbrances  | 3,823           | 3,823        | 3,823      | 0   |
| Fund Balance at End of Year                                      | \$ 255,547      | \$ 255,547   | \$ 285,323 | \$ 29,776   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Original Budget | Final Budget | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|-----------|---|
| <b>PROBATION SERVICES</b>  |                 |              |           |   |
| <b>Revenues:</b>   |                 |              |           |   |
| Intergovernmental Grants   | 125,000         | 125,000      | 123,176   | (1,824)   |
| Charges for Services   | 10,000          | 10,000       | 14,821    | 4,821   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | \$ 80,000       | \$ 80,000    | \$ 97,378 | \$ 17,378   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 0               | 0            | 13        | 13  |
| Total Revenues   | 215,000         | 215,000      | 235,388   | 20,388  |
| <b>Expenditures:</b>   |                 |              |           |   |
| Public Safety - Current:   |                 |              |           |   |
| Personnel Services   | 383,290         | 392,117      | 392,112   | 5   |
| General Operating  | 2,200           | 2,200        | 1,914     | 286   |
| Contractual Services   | 66,118          | 67,218       | 84,388    | (17,170)  |
| Materials and Supplies   | 6,500           | 6,600        | 9,531     | (2,931)   |
| Total Expenditures   | 458,108         | 468,135      | 487,945   | (19,810)  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | (243,108)       | (253,135)    | (252,557) | 578   |
| <b>Other Financing Sources (Uses):</b>                           |                 |              |           |   |
| Transfers In   | 245,000         | 245,000      | 245,000   | 0   |
| Total Other Financing Sources (Uses)                             | 245,000         | 245,000      | 245,000   | 0   |
| Net Change in Fund Balance                                       | 1,892           | (8,135)      | (7,557)   | 578   |
| Fund Balance at Beginning of Year                                | 17,228          | 17,228       | 17,228    | 0   |
| Prior Year Encumbrances  | 30,702          | 30,702       | 30,702    | 0   |
| Fund Balance at End of Year                                      | \$ 49,822       | \$ 39,795    | \$ 40,373 | \$ 578  |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>LAW ENFORCEMENT AND EDUCATION</b>                             |                        |                     |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|------------------|---|
|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>    |   |
| <b>Revenues:</b>   |                        |                     |                  |   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | \$ 1,500               | \$ 1,500            | \$ 1,518         | \$ 18   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 300                    | 300                 | 185              | (115)   |
| Total Revenues   | <u>1,800</u>           | <u>1,800</u>        | <u>1,703</u>     | <u>(97)</u>   |
| <b>Expenditures:</b>   |                        |                     |                  |   |
| Public Safety - Current:   |                        |                     |                  |   |
| Contractual Services   | 9,000                  | 9,000               | 650              | 8,350   |
| Materials and Supplies   | 7,500                  | 7,500               | 5,043            | 2,457   |
| Capital Outlay   | 7,500                  | 7,500               | 0                | 7,500   |
| Total Expenditures   | <u>24,000</u>          | <u>24,000</u>       | <u>5,693</u>     | <u>18,307</u>   |
| Net Change in Fund Balance                                       | (22,200)               | (22,200)            | (3,990)          | 18,210  |
| Fund Balance at Beginning of Year                                | 29,813                 | 29,813              | 29,813           | 0   |
| Prior Year Encumbrances  | 892                    | 892                 | 892              | 0   |
| Fund Balance at End of Year                                      | <u>\$ 8,505</u>        | <u>\$ 8,505</u>     | <u>\$ 26,715</u> | <u>\$ 18,210</u>  |



**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|-------------------|---|
| <b>STATE ROUTE REPAIR</b>  |                        |                     |                   |   |
| <b>Revenues:</b>   |                        |                     |                   |   |
| State Shared Taxes and Permits                                   | \$ 81,000              | \$ 81,000           | \$ 76,976         | \$ (4,024)  |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 1,000                  | 1,000               | 1,253             | 253   |
| Total Revenues   | <u>82,000</u>          | <u>82,000</u>       | <u>78,229</u>     | <u>(3,771)</u>  |
| <b>Expenditures:</b>   |                        |                     |                   |   |
| Highways and Streets - Current:                                  |                        |                     |                   |   |
| Contractual Services   | 52,343                 | 31,343              | 30,187            | 1,156   |
| Materials and Supplies   | 53,000                 | 74,000              | 68,316            | 5,684   |
| Total Expenditures   | <u>105,343</u>         | <u>105,343</u>      | <u>98,503</u>     | <u>6,840</u>  |
| Net Change in Fund Balance                                       | (23,343)               | (23,343)            | (20,274)          | 3,069   |
| Fund Balance at Beginning of Year                                | 139,229                | 139,229             | 139,229           | 0   |
| Prior Year Encumbrances  | 45,860                 | 45,860              | 45,860            | 0   |
| Fund Balance at End of Year                                      | <u>\$ 161,746</u>      | <u>\$ 161,746</u>   | <u>\$ 164,815</u> | <u>\$ 3,069</u>   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Original Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|------------|---|
| <b>CITY MOTOR VEHICLE LICENSE TAX</b>                            |                 |              |            |   |
| <b>Revenues:</b>   |                 |              |            |   |
| State Shared Taxes and Permits                                   | \$ 175,000      | \$ 175,000   | \$ 169,024 | \$ (5,976)  |
| Miscellaneous Receipts and Reimbursements,<br>including Interest | 2,700           | 2,700        | 1,901      | (799)   |
| Total Revenues   | 177,700         | 177,700      | 170,925    | (6,775)   |
| <b>Expenditures:</b>   |                 |              |            |   |
| Highways and Streets - Current:                                  |                 |              |            |   |
| Capital Outlay   | 150,000         | 150,000      | 150,000    | 0   |
| Debt Service:  |                 |              |            |   |
| Principal Retirement   | 25,000          | 25,000       | 25,000     | 0   |
| Interest and Fiscal Charges                                      | 6,247           | 6,247        | 6,246      | 1   |
| Total Expenditures   | 181,247         | 181,247      | 181,246    | 1   |
| Net Change in Fund Balance                                       | (3,547)         | (3,547)      | (10,321)   | (6,774)   |
| Fund Balance at Beginning of Year                                | 264,016         | 264,016      | 264,016    | 0   |
| Fund Balance at End of Year                                      | \$ 260,469      | \$ 260,469   | \$ 253,695 | \$ (6,774)  |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>COUNTY MOTOR VEHICLE LICENSE TAX</b>   |                 |              |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-----------------|--------------|-----------|---|
|   | Original Budget | Final Budget | Actual    |   |
| <b>Revenues:</b>                          |                 |              |           |   |
| Miscellaneous Receipt and Reimbursements, |                 |              |           |   |
| Including Interest                        | \$ 0            | \$ 0         | \$ 188    | \$ 188  |
| Total Revenues                            | 0               | 0            | 188       | 188   |
| Net Change in Fund Balance                | 0               | 0            | 188       | 188   |
| Fund Balance at Beginning of Year         | 30,983          | 30,983       | 30,983    | 0   |
| Fund Balance at End of Year               | \$ 30,983       | \$ 30,983    | \$ 31,171 | \$ 188  |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**SPECIAL MISCELLANEOUS IMPROVEMENTS**

|  | Original Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|------------|---|
| <b>Revenues:</b>                           |                 |              |            |   |
| Miscellaneous Receipts and Reimbursements, |                 |              |            |   |
| Including Interest                         | \$ 98,125       | \$ 98,125    | \$ 98,352  | \$ 227  |
| Total Revenues                             | 98,125          | 98,125       | 98,352     | 227   |
| <b>Expenditures:</b>                       |                 |              |            |   |
| General Government - Current:              |                 |              |            |   |
| Personnel Services                         | 48,206          | 48,206       | 28,861     | 19,345  |
| Contractual Services                       | 20,750          | 20,750       | 200        | 20,550  |
| Materials and Supplies                     | 3,450           | 3,450        | 0          | 3,450   |
| Total Expenditures                         | 72,406          | 72,406       | 29,061     | 43,345  |
| Net Change in Fund Balance                 | 25,719          | 25,719       | 69,291     | 43,572  |
| Fund Balance at Beginning of Year          | 151,291         | 151,291      | 151,291    | 0   |
| Fund Balance at End of Year                | \$ 177,010      | \$ 177,010   | \$ 220,582 | \$ 43,572   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>TAX INCREMENT EQUIVALENT</b>                                  |                        |                     |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|------------------|---|
|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>    |   |
| <b>Revenues:</b>   |                        |                     |                  |   |
| Other Local Taxes  | \$ 68,000              | \$ 68,000           | \$ 66,055        | \$ (1,945)  |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 0                      | 0                   | 152              | 152   |
| Total Revenues   | <u>68,000</u>          | <u>68,000</u>       | <u>66,207</u>    | <u>(1,793)</u>  |
| <b>Expenditures:</b>   |                        |                     |                  |   |
| General Government - Current:                                    |                        |                     |                  |   |
| General Operating  | 2,335                  | 947                 | 712              | 235   |
| Contractual Services   | 33,645                 | 35,283              | 33,463           | 1,820   |
| Materials and Supplies   | 4,618                  | 4,368               | 713              | 3,655   |
| Total Expenditures   | <u>40,598</u>          | <u>40,598</u>       | <u>34,888</u>    | <u>5,710</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | 27,402                 | 27,402              | 31,319           | 3,917   |
| <b>Other Financing Sources (Uses):</b>                           |                        |                     |                  |   |
| Advances In  | 41,000                 | 41,000              | 21,000           | (20,000)  |
| Advances Out   | (41,000)               | (41,000)            | (21,000)         | 20,000  |
| Total Other Financing Sources (Uses)                             | <u>0</u>               | <u>0</u>            | <u>0</u>         | <u>0</u>  |
| Net Change in Fund Balance                                       | 27,402                 | 27,402              | 31,319           | 3,917   |
| Fund Balance at Beginning of Year                                | 5,985                  | 5,985               | 5,985            | 0   |
| Prior Year Encumbrances  | 271                    | 271                 | 271              | 0   |
| Fund Balance at End of Year                                      | <u>\$ 33,658</u>       | <u>\$ 33,658</u>    | <u>\$ 37,575</u> | <u>\$ 3,917</u>   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <b>911</b>      |              |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|------------|---|
|  | Original Budget | Final Budget | Actual     |   |
| <b>Revenues:</b>   |                 |              |            |   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | \$ 145,000      | \$ 145,000   | \$ 133,424 | \$ (11,576)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 3,400           | 3,400        | 28,351     | 24,951  |
| Total Revenues   | 148,400         | 148,400      | 161,775    | 13,375  |
| <b>Expenditures:</b>   |                 |              |            |   |
| Public Safety - Current:   |                 |              |            |   |
| Personnel Services   | 189,895         | 205,134      | 205,126    | 8   |
| Contractual Services   | 30,000          | 30,000       | 9,880      | 20,120  |
| Materials and Supplies   | 20,000          | 35,000       | 30,091     | 4,909   |
| Capital Outlay   | 0               | 65,000       | 62,079     | 2,921   |
| Total Expenditures   | 239,895         | 335,134      | 307,176    | 27,958  |
| Net Change in Fund Balance                                       | (91,495)        | (186,734)    | (145,401)  | 41,333  |
| Fund Balance at Beginning of Year                                | 387,761         | 387,761      | 387,761    | 0   |
| Prior Year Encumbrances  | 8,700           | 8,700        | 8,700      | 0   |
| Fund Balance at End of Year                                      | \$ 304,966      | \$ 209,727   | \$ 251,060 | \$ 41,333   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>LAW ENFORCEMENT</b>   |                   |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original Budget   | Final Budget      | Actual            |   |
| <b>Revenues:</b>   |                   |                   |                   |   |
| Intergovernmental Grants   | \$ 1,000          | \$ 1,000          | \$ 0              | \$ (1,000)  |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 133,500           | 133,500           | 146,587           | 13,087  |
| Total Revenues   | <u>134,500</u>    | <u>134,500</u>    | <u>146,587</u>    | <u>12,087</u>   |
| <b>Expenditures:</b>   |                   |                   |                   |   |
| Public Safety - Current:   |                   |                   |                   |   |
| Contractual Services   | 31,000            | 29,000            | 24,883            | 4,117   |
| Materials and Supplies   | 28,500            | 30,500            | 25,619            | 4,881   |
| Capital Outlay   | 285,000           | 285,000           | 18,060            | 266,940   |
| Total Expenditures   | <u>344,500</u>    | <u>344,500</u>    | <u>68,562</u>     | <u>275,938</u>  |
| Net Change in Fund Balance                                       | (210,000)         | (210,000)         | 78,025            | 288,025   |
| Fund Balance at Beginning of Year                                | 496,390           | 496,390           | 496,390           | 0   |
| Prior Year Encumbrances  | 11,546            | 11,546            | 11,546            | 0   |
| Fund Balance at End of Year                                      | <u>\$ 297,936</u> | <u>\$ 297,936</u> | <u>\$ 585,961</u> | <u>\$ 288,025</u>                                       |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|---------------------|------------------|---|
| <b>DRUG LAW ENFORCEMENT</b>                                      |                        |                     |                  |   |
| <b>Revenues:</b>   |                        |                     |                  |   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | \$ 5,000               | \$ 5,000            | \$ 700           | \$ (4,300)  |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | <u>500</u>             | <u>500</u>          | <u>197</u>       | <u>(303)</u>  |
| Total Revenues   | <u>5,500</u>           | <u>5,500</u>        | <u>897</u>       | <u>(4,603)</u>  |
| <b>Expenditures:</b>   |                        |                     |                  |   |
| Public Safety - Current:   |                        |                     |                  |   |
| Contractual Services   | 5,000                  | 5,000               | 0                | 5,000   |
| Materials and Supplies   | <u>10,000</u>          | <u>10,000</u>       | <u>0</u>         | <u>10,000</u>   |
| Total Expenditures   | <u>15,000</u>          | <u>15,000</u>       | <u>0</u>         | <u>15,000</u>   |
| Net Change in Fund Balance                                       | (9,500)                | (9,500)             | 897              | 10,397  |
| Fund Balance at Beginning of Year                                | <u>31,894</u>          | <u>31,894</u>       | <u>31,894</u>    | <u>0</u>  |
| Fund Balance at End of Year                                      | <u>\$ 22,394</u>       | <u>\$ 22,394</u>    | <u>\$ 32,791</u> | <u>\$ 10,397</u>  |



**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**MUNICIPAL COURT VICTIM**

|  | Original Budget | Final Budget | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|-----------|---|
| <b>Revenues:</b>   |                 |              |           |   |
| Intergovernmental Grants   | \$ 60,000       | \$ 60,000    | \$ 62,718 | \$ 2,718  |
| Fines, Costs, Forfeitures, Licenses and Permits                  | 33,000          | 33,000       | 32,316    | (684)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 80              | 80           | 1,697     | 1,617   |
| Total Revenues   | 93,080          | 93,080       | 96,731    | 3,651   |
| <b>Expenditures:</b>   |                 |              |           |   |
| General Government - Current:                                    |                 |              |           |   |
| Personnel Services   | 173,065         | 174,763      | 174,759   | 4   |
| General Operating  | 2,000           | 1,905        | 25        | 1,880   |
| Contractual Services   | 5,404           | 5,668        | 4,473     | 1,195   |
| Materials and Supplies   | 3,950           | 4,021        | 3,871     | 150   |
| Total Expenditures   | 184,419         | 186,357      | 183,128   | 3,229   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures     | (91,339)        | (93,277)     | (86,397)  | 6,880   |
| <b>Other Financing Sources (Uses):</b>                           |                 |              |           |   |
| Transfers In   | 100,000         | 100,000      | 80,000    | (20,000)  |
| Total Other Financing Sources (Uses)                             | 100,000         | 100,000      | 80,000    | (20,000)  |
| Net Change in Fund Balance                                       | 8,661           | 6,723        | (6,397)   | (13,120)  |
| Fund Balance at Beginning of Year                                | 11,743          | 11,743       | 11,743    | 0   |
| Prior Year Encumbrances  | 1,022           | 1,022        | 1,022     | 0   |
| Fund Balance at End of Year                                      | \$ 21,426       | \$ 19,488    | \$ 6,368  | \$ (13,120)   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <b>DEBT SERVICE</b> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|------------------|------------------|---|
|  | Original Budget     | Final Budget     | Actual           |   |
| <b>Revenues:</b>   |                     |                  |                  |   |
| Other Local Taxes  | \$ 60,000           | \$ 60,000        | \$ 66,342        | \$ 6,342  |
| State Shares Taxes and Permits                                   | 14,859              | 14,859           | 14,466           | (393)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 400                 | 400              | 515              | 115   |
| Total Revenues   | <u>75,259</u>       | <u>75,259</u>    | <u>81,323</u>    | <u>6,064</u>  |
| <b>Expenditures:</b>   |                     |                  |                  |   |
| Public Safety:   |                     |                  |                  |   |
| Police and Fire Pension  |                     |                  |                  |   |
| Contractual Services   | 750                 | 750              | 255              | 495   |
| Total Public Safety  | <u>750</u>          | <u>750</u>       | <u>255</u>       | <u>495</u>  |
| Highways and Streets:  |                     |                  |                  |   |
| Streets  |                     |                  |                  |   |
| Contractual Services   | 750                 | 750              | 252              | 498   |
| Total Highways and Streets                                       | <u>750</u>          | <u>750</u>       | <u>252</u>       | <u>498</u>  |
| Debt Service:  |                     |                  |                  |   |
| Principal Retirement   | 50,000              | 50,000           | 50,000           | 0   |
| Interest and Fiscal Charges                                      | 12,955              | 12,955           | 12,954           | 1   |
|  | 62,955              | 62,955           | 62,954           | 1   |
| Total Expenditures   | <u>64,455</u>       | <u>64,455</u>    | <u>63,461</u>    | <u>994</u>  |
| Net Change in Fund Balance                                       | 10,804              | 10,804           | 17,862           | 7,058   |
| Fund Balance at Beginning of Year                                | 75,433              | 75,433           | 75,433           | 0   |
| Fund Balance at End of Year                                      | <u>\$ 86,237</u>    | <u>\$ 86,237</u> | <u>\$ 93,295</u> | <u>\$ 7,058</u>   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**MUNICIPAL COURT CAPITAL IMPROVEMENTS**

|  | Original Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|--------------|------------|---|
| <b>Revenues:</b>   |                 |              |            |   |
| Fines, Costs, Forfeitures, Licenses and Permits                  | 90,000          | 90,000       | 83,654     | (6,346)   |
| Miscellaneous Receipts and Reimbursements,<br>Including Interest | 4,000           | 4,000        | 2,328      | (1,672)   |
| Total Revenues   | 94,000          | 94,000       | 85,982     | (8,018)   |
| <b>Expenditures:</b>   |                 |              |            |   |
| Capital Outlay:  |                 |              |            |   |
| Contractual Services   | 129,056         | 129,056      | 94,879     | 34,177  |
| Materials and Supplies   | 2,750           | 2,750        | 1,741      | 1,009   |
| Capital Improvements   | 52,325          | 52,325       | 29,534     | 22,791  |
| Debt Service:  |                 |              |            |   |
| Principal Retirement   | 14,480          | 14,480       | 14,480     | 0   |
| Interest and Fiscal Charges                                      | 834             | 834          | 833        | 1   |
| Total Expenditures   | 199,445         | 199,445      | 141,467    | 57,978  |
| Net Change in Fund Balance                                       | (105,445)       | (105,445)    | (55,485)   | 49,960  |
| Fund Balance at Beginning of Year                                | 380,739         | 380,739      | 380,739    | 0   |
| Prior Year Encumbrances  | 7,986           | 7,986        | 7,986      | 0   |
| Fund Balance at End of Year                                      | \$ 283,280      | \$ 283,280   | \$ 333,240 | \$ 49,960   |

**CITY OF XENIA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <b>ISSUE II</b>        |                     |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------|---------------------|--------------------|---|
|   | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>      |   |
| <b>Revenues:</b>                          |                        |                     |                    |   |
| Intergovernmental Grants                  | \$ 920,565             | \$ 920,565          | \$ 390,276         | \$ (530,289)  |
| Miscellaneous Receipts and Reimbursements |                        |                     |                    |   |
| Total Revenues                            | <u>920,565</u>         | <u>920,565</u>      | <u>390,276</u>     | <u>(530,289)</u>  |
| <b>Expenditures:</b>                      |                        |                     |                    |   |
| Capital Outlay:                           |                        |                     |                    |   |
| Capital Improvements                      | <u>900,000</u>         | <u>900,000</u>      | <u>459,410</u>     | <u>440,590</u>  |
| Total Expenditures                        | <u>900,000</u>         | <u>900,000</u>      | <u>459,410</u>     | <u>440,590</u>  |
| Net Change in Fund Balance                | 20,565                 | 20,565              | (69,134)           | (89,699)  |
| Fund Balance at Beginning of Year         | (19,646)               | (19,646)            | (19,646)           | 0   |
| Prior Year Encumbrances                   | <u>20,564</u>          | <u>20,564</u>       | <u>20,564</u>      | <u>0</u>  |
| Fund Balance at End of Year               | <u>\$ 21,483</u>       | <u>\$ 21,483</u>    | <u>\$ (68,216)</u> | <u>\$ (89,699)</u>                                      |

***Nonmajor Enterprise Funds***

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

**Loan Fund**

In 1983, the City assumed all assets, liabilities, and loan commitments of Xenia Environmental Neighborhood Improvement Association, Inc. (X.E.N.I.A., Inc.). The City is collecting outstanding loans. Net income and loan repayments are used for similar economic development activities.

**Parking Revenue Fund**

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

**CDBG and UDAG Revolving Loan Fund**

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

**Housing Rehabilitation Loan Fund**

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

**CITY OF XENIA, OHIO**

**STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2013**

|  | Loan              | Parking<br>Revenue | CDBG &<br>UDAG<br>Revolving Loan | Housing<br>Rehabilitation<br>Loan | Total Nonmajor<br>Enterprise<br>Funds |
|--|-------------------|--------------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>Assets:</b>                                   |                   |                    |                                  |                                   |                                       |
| <b>Current Assets:</b>                           |                   |                    |                                  |                                   |                                       |
| Cash and cash equivalents                        | \$ 115,327        | \$ 4,436           | \$ 33,431                        | \$ 44,149                         | \$ 197,343                            |
| Investments                                      | 312,396           | 12,013             | 90,560                           | 119,588                           | 534,557                               |
| Receivables:                                     |                   |                    |                                  |                                   |                                       |
| Accounts   | 0                 | 14,599             | 0                                | 0                                 | 14,599                                |
| Loans  | 24,000            | 0                  | 0                                | 19,109                            | 43,109                                |
| Accrued interest                                 | 539               | 0                  | 149                              | 119                               | 807                                   |
| Grants   | 0                 | 0                  | 29,928                           | 2,522                             | 32,450                                |
| Prepaid items                                    | 141               | 176                | 0                                | 0                                 | 317                                   |
| <b>Total Current Assets</b>                      | <b>452,403</b>    | <b>31,224</b>      | <b>154,068</b>                   | <b>185,487</b>                    | <b>823,182</b>                        |
| <b>Noncurrent Assets:</b>                        |                   |                    |                                  |                                   |                                       |
| <b>Unrestricted:</b>                             |                   |                    |                                  |                                   |                                       |
| Loans receivable (net of current)                | 251,741           | 0                  | 23,151                           | 856,137                           | 1,131,029                             |
| Capital Assets (net of accumulated depreciation) | 0                 | 201,617            | 0                                | 0                                 | 201,617                               |
| <b>Total Noncurrent Assets</b>                   | <b>251,741</b>    | <b>201,617</b>     | <b>23,151</b>                    | <b>856,137</b>                    | <b>1,332,646</b>                      |
| <b>Total Assets</b>                              | <b>\$ 704,144</b> | <b>\$ 232,841</b>  | <b>\$ 177,219</b>                | <b>\$ 1,041,624</b>               | <b>\$ 2,155,828</b>                   |
| <b>Liabilities:</b>                              |                   |                    |                                  |                                   |                                       |
| <b>Current Liabilities:</b>                      |                   |                    |                                  |                                   |                                       |
| Accounts payable                                 | \$ 0              | \$ 7,447           | \$ 95                            | \$ 102,016                        | \$ 109,558                            |
| Accrued payroll                                  | 164               | 1,955              | 0                                | 262                               | 2,381                                 |
| Compensated Absences                             | 0                 | 200                | 0                                | 59                                | 259                                   |
| <b>Total Current Liabilities</b>                 | <b>164</b>        | <b>9,602</b>       | <b>95</b>                        | <b>102,337</b>                    | <b>112,198</b>                        |
| <b>Noncurrent Liabilities</b>                    |                   |                    |                                  |                                   |                                       |
| Compensated Absences                             | 0                 | 3,096              | 0                                | 915                               | 4,011                                 |
| <b>Total Noncurrent Liabilities</b>              | <b>0</b>          | <b>3,096</b>       | <b>0</b>                         | <b>915</b>                        | <b>4,011</b>                          |
| <b>Total Liabilities</b>                         | <b>164</b>        | <b>12,698</b>      | <b>95</b>                        | <b>103,252</b>                    | <b>116,209</b>                        |
| <b>Net Position:</b>                             |                   |                    |                                  |                                   |                                       |
| Net Investment in Capital Assets                 | 0                 | 201,617            | 0                                | 0                                 | 201,617                               |
| Unrestricted                                     | 703,980           | 18,526             | 177,124                          | 938,372                           | 1,838,002                             |
| <b>Total Net Position</b>                        | <b>\$ 703,980</b> | <b>\$ 220,143</b>  | <b>\$ 177,124</b>                | <b>\$ 938,372</b>                 | <b>\$ 2,039,619</b>                   |

**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Loan       | Parking<br>Revenue | CDBG &<br>UDAG<br>Revolving Loan | Housing<br>Rehabilitation<br>Loan | Total Nonmajor<br>Enterprise<br>Funds |
|--|------------|--------------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>Operating revenues:</b>             |            |                    |                                  |                                   |                                       |
| Charges for services                   | \$ 10,590  | \$ 65,204          | \$ 0                             | \$ 57                             | \$ 75,851                             |
| <b>Operating expenses:</b>             |            |                    |                                  |                                   |                                       |
| Personnel services                     | 3,123      | 40,773             | 0                                | 4,634                             | 48,530                                |
| General operating                      | 0          | 0                  | 4,300                            | 0                                 | 4,300                                 |
| Contractual services                   | 346        | 2,428              | 9,061                            | 10,000                            | 21,835                                |
| Materials and supplies                 | 0          | 2,777              | 291                              | 0                                 | 3,068                                 |
| Depreciation                           | 0          | 5,463              | 0                                | 0                                 | 5,463                                 |
| Non-governmental                       | 0          | 0                  | 7,717                            | 0                                 | 7,717                                 |
| Total expenses                         | 3,469      | 51,441             | 21,369                           | 14,634                            | 90,913                                |
| Operating income (loss)                | 7,121      | 13,763             | (21,369)                         | (14,577)                          | (15,062)                              |
| <b>Non-operating revenues:</b>         |            |                    |                                  |                                   |                                       |
| Interest revenue                       | 283        | 0                  | 19                               | 443                               | 745                                   |
| Other                                  | 39         | 636                | 0                                | 84,046                            | 84,721                                |
| Intergovernmental                      | 0          | 0                  | 100,527                          | 25,629                            | 126,156                               |
| Total Non-operating revenue            | 322        | 636                | 100,546                          | 110,118                           | 211,622                               |
| <b>Non-operating expenses:</b>         |            |                    |                                  |                                   |                                       |
| Loss on disposal                       | 0          | 0                  | 101,900                          | 15,000                            | 116,900                               |
| Total Non-Operating Expenses           | 0          | 0                  | 101,900                          | 15,000                            | 116,900                               |
| <b>Change in Net Position</b>          | 7,443      | 14,399             | (22,723)                         | 80,541                            | 79,660                                |
| <b>Net Position, beginning of year</b> | 696,537    | 205,744            | 199,847                          | 857,831                           | 1,959,959                             |
| <b>Net Position, end of year</b>       | \$ 703,980 | \$ 220,143         | \$ 177,124                       | \$ 938,372                        | \$ 2,039,619                          |

**CITY OF XENIA, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | Loan      | Parking<br>Revenue | CDBG &<br>UDAG<br>Revolving<br>Loan |
|---|-----------|--------------------|-------------------------------------|
| <u>Cash Flows from Operating Activities:</u>  |           |                    |                                     |
| Cash Received from Customers  | \$68,881  | \$51,252           | \$0                                 |
| Cash Payments for Goods and Services  | (346)     | (12,627)           | (30,560)                            |
| Cash Payments to Employees  | (3,471)   | (33,677)           | 0                                   |
| Net Cash Provided (Used) by Operating Activities  | 65,064    | 4,948              | (30,560)                            |
| <u>Cash Flows from Noncapital Financing Activities:</u>                                       |           |                    |                                     |
| Advances In from Other Funds  | 0         | 0                  | 0                                   |
| Advances Out to Other Funds   | 0         | 0                  | 0                                   |
| Net Cash Provided (Used) by Noncapital Financing Activities                                   | 0         | 0                  | 0                                   |
| <u>Cash Flows from Capital and Related Financing Activities:</u>                              |           |                    |                                     |
| Intergovernmental Grants  | 0         | 0                  | 121,000                             |
| Acquisition and Construction of Assets  | 0         | 0                  | (59,641)                            |
| Net Cash Provided (Used) by<br>Capital and Related Financing Activities                       | 0         | 0                  | 61,359                              |
| <u>Cash Flows from Investing Activities:</u>  |           |                    |                                     |
| Purchase of Investments   | (62,241)  | (4,007)            | (26,263)                            |
| Receipts of Interest  | 2,383     | 0                  | 569                                 |
| Net Cash Provided (Used) by Investing Activities  | (59,858)  | (4,007)            | (25,694)                            |
| Net Increase in Cash and Cash Equivalents   | 5,206     | 941                | 5,105                               |
| Cash and Cash Equivalents at Beginning of Year  | 110,121   | 3,495              | 28,326                              |
| Cash and Cash Equivalents at End of Year  | \$115,327 | \$4,436            | \$33,431                            |
| <u>Reconciliation of Operating Loss to Net Cash</u>   |           |                    |                                     |
| <u>Used by Operating Activities:</u>  |           |                    |                                     |
| Operating Income (Loss)   | 7,121     | 13,763             | (21,369)                            |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Used by Operating Activities: |           |                    |                                     |
| Depreciation Expense  | 0         | 5,463              | 0                                   |
| Income - Other Nonoperating   | 39        | 636                | 0                                   |
| Expense - Other Nonoperating  |           |                    |                                     |
| Changes in Assets and Liabilities:  |           |                    |                                     |
| (Increase) Decrease in Principal Receivable   | 58,251    | 0                  | 7,717                               |
| (Increase) Decrease in Accounts Receivable  | 0         | (14,589)           | 0                                   |
| Increase (Decrease) in Accounts Payable   | 0         | 25                 | (16,908)                            |
| Increase (Decrease) in Accrued Payroll  | (13)      | (122)              | 0                                   |
| Increase (Decrease) in Compensated Absences Payable   | (334)     | (228)              | 0                                   |
| Total Adjustments   | 57,943    | (8,815)            | (9,191)                             |
| Net Cash Provided (Used) by Operating Activities  | \$65,064  | \$4,948            | (\$30,560)                          |



**CITY OF XENIA, OHIO**

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| Housing<br>Rehabilitation<br>Loan | Total Other<br>Enterprise<br>Funds |
|-----------------------------------|------------------------------------|
| \$19,256                          | \$139,389                          |
| (180,318)                         | (223,851)                          |
| (4,377)                           | (41,525)                           |
| (165,439)                         | (125,987)                          |
|                                   |                                    |
| 120,000                           | 120,000                            |
| (190,000)                         | (190,000)                          |
| (70,000)                          | (70,000)                           |
|                                   |                                    |
| 387,900                           | 508,900                            |
| 0                                 | (59,641)                           |
| 387,900                           | 449,259                            |
|                                   |                                    |
| (112,690)                         | (205,201)                          |
| 1,095                             | 4,047                              |
| (111,595)                         | (201,154)                          |
|                                   |                                    |
| 40,866                            | 52,118                             |
| 3,283                             | 145,225                            |
| \$44,149                          | \$197,343                          |
|                                   |                                    |
| (14,577)                          | (\$15,062)                         |
|                                   |                                    |
| 0                                 | 5,463                              |
| 84,046                            | 84,721                             |
|                                   |                                    |
| 54,879                            | 120,847                            |
| 0                                 | (14,589)                           |
| (290,042)                         | (306,925)                          |
| 60                                | (75)                               |
| 195                               | (367)                              |
| (150,862)                         | (110,925)                          |
| (\$165,439)                       | (\$125,987)                        |

***Internal Service Funds***

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

**Utility Billing Fund**

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

**City Garage Fund**

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

**CITY OF XENIA, OHIO**

**STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2013**

|  | Utility Billing  | City Garage      | Total Internal Service Funds |
|--|------------------|------------------|------------------------------|
| <b>Assets:</b>                                   |                  |                  |                              |
| <i>Current Assets:</i>                           |                  |                  |                              |
| Cash and cash equivalents                        | \$ 19,442        | \$ 16,544        | \$ 35,986                    |
| Investments                                      | 52,668           | 44,813           | 97,481                       |
| Receivables:                                     |                  |                  |                              |
| Accounts   | 8,358            | 8,656            | 17,014                       |
| Inventories                                      | 0                | 71,327           | 71,327                       |
| Prepaid items                                    | 1,983            | 4,069            | 6,052                        |
| <b>Total Current Assets</b>                      | <b>82,451</b>    | <b>145,409</b>   | <b>227,860</b>               |
| <i>Noncurrent Assets:</i>                        |                  |                  |                              |
| <b>Unrestricted:</b>                             |                  |                  |                              |
| Capital Assets (net of accumulated depreciation) | 15,061           | 72,550           | 87,611                       |
| <b>Total Noncurrent Assets</b>                   | <b>15,061</b>    | <b>72,550</b>    | <b>87,611</b>                |
| <b>Total Assets</b>                              | <b>97,512</b>    | <b>217,959</b>   | <b>315,471</b>               |
| <b>Liabilities:</b>                              |                  |                  |                              |
| <i>Current Liabilities:</i>                      |                  |                  |                              |
| Accounts payable                                 | 11,316           | 37,365           | 48,681                       |
| Accrued payroll                                  | 0                | 7,434            | 7,434                        |
| Interfund payable                                | 0                | 59,915           | 59,915                       |
| Compensated Absences                             | 0                | 1,200            | 1,200                        |
| <b>Total Current Liabilities</b>                 | <b>11,316</b>    | <b>105,914</b>   | <b>117,230</b>               |
| <i>Noncurrent Liabilities</i>                    |                  |                  |                              |
| Compensated Absences                             | 0                | 18,511           | 18,511                       |
| <b>Total Noncurrent Liabilities</b>              | <b>0</b>         | <b>18,511</b>    | <b>18,511</b>                |
| <b>Total Liabilities</b>                         | <b>11,316</b>    | <b>124,425</b>   | <b>135,741</b>               |
| <b>Net Position:</b>                             |                  |                  |                              |
| Net Investment in Capital Assets                 | 15,061           | 12,635           | 27,696                       |
| Unrestricted                                     | 71,135           | 80,899           | 152,034                      |
| <b>Total Net Position</b>                        | <b>\$ 86,196</b> | <b>\$ 93,534</b> | <b>\$ 179,730</b>            |

**CITY OF XENIA, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Utility Billing | City Garage | Total Internal<br>Service Funds |
|--|-----------------|-------------|---------------------------------|
| <b>Operating revenues:</b>             |                 |             |                                 |
| Charges for services                   | \$ 171,155      | \$ 749,015  | \$ 920,170                      |
| <b>Operating expenses:</b>             |                 |             |                                 |
| Personnel services                     | 0               | 168,555     | 168,555                         |
| General operating                      | 7,305           | 990         | 8,295                           |
| Contractual services                   | 117,045         | 99,113      | 216,158                         |
| Materials and supplies                 | 4,004           | 449,131     | 453,135                         |
| Depreciation                           | 2,510           | 4,026       | 6,536                           |
| Total expenses                         | 130,864         | 721,815     | 852,679                         |
| Operating income (loss)                | 40,291          | 27,200      | 67,491                          |
| <b>Non-operating revenues:</b>         |                 |             |                                 |
| Other                                  | 0               | 3,768       | 3,768                           |
| Total Non-operating revenue            | 0               | 3,768       | 3,768                           |
| <b>Change in Net Position</b>          | 40,291          | 30,968      | 71,259                          |
| <b>Net Position, beginning of year</b> | 45,905          | 62,566      | 108,471                         |
| <b>Net Position, end of year</b>       | \$ 86,196       | \$ 93,534   | \$ 179,730                      |

**CITY OF XENIA, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Utility<br/>Billing</u> | <u>City<br/>Garage</u> | <u>Totals</u>   |
|--|----------------------------|------------------------|-----------------|
| <u>Cash Flows from Operating Activities:</u>   |                            |                        |                 |
| Cash Received from Interfund Services Provided   | \$170,941                  | \$750,787              | \$921,728       |
| Cash Payments for Goods and Services   | (126,205)                  | (574,397)              | (700,602)       |
| Cash Payments to Employees   | 0                          | (173,493)              | (173,493)       |
| Net Cash Provided (Used) by Operating Activities   | <u>44,736</u>              | <u>2,897</u>           | <u>47,633</u>   |
| <u>Cash Flows from Noncapital Financing Activities:</u>  |                            |                        |                 |
| Advances to Other Funds  | 0                          | (13,435)               | (13,435)        |
| Net Cash Used by Noncapital Financing Activities   | <u>0</u>                   | <u>(13,435)</u>        | <u>(13,435)</u> |
| <u>Cash Flows from Investing Activities:</u>   |                            |                        |                 |
| Sale of Investments  | 0                          | 5,239                  | 5,239           |
| Purchase of Investments  | (33,609)                   | 0                      | (33,609)        |
| Net Cash Provided (Used) by Investing Activities   | <u>(33,609)</u>            | <u>5,239</u>           | <u>(28,370)</u> |
| Net Change in Cash and Cash Equivalents  | 11,127                     | (5,299)                | 5,828           |
| Cash and Cash Equivalents at Beginning of Year   | <u>8,315</u>               | <u>21,843</u>          | <u>30,158</u>   |
| Cash and Cash Equivalents at End of Year   | <u>\$19,442</u>            | <u>\$16,544</u>        | <u>\$35,986</u> |
| <u>Reconciliation of Operating Loss to Net Cash</u>  |                            |                        |                 |
| <u>Provided (Used) by Operating Activities:</u>  |                            |                        |                 |
| Operating Income (Loss)  | \$40,291                   | \$27,200               | \$67,491        |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Provided (Used) by Operating Activities: |                            |                        |                 |
| Depreciation Expense   | 2,510                      | 4,026                  | 6,536           |
| Income - Other Nonoperating  | 0                          | 3,768                  | 3,768           |
| Changes in Assets and Liabilities:   |                            |                        |                 |
| (Increase) Decrease in Accounts Receivable   | (214)                      | (1,995)                | (2,209)         |
| (Increase) Decrease in Inventory   | 0                          | (45,158)               | (45,158)        |
| Increase (Decrease) in Accounts Payable  | 2,149                      | 19,994                 | 22,143          |
| Increase in Accrued Payroll  | 0                          | 64                     | 64              |
| Decrease in Compensated Absences   | 0                          | (5,002)                | (5,002)         |
| Total Adjustments  | <u>4,445</u>               | <u>(24,303)</u>        | <u>(19,858)</u> |
| Net Cash Provided (Used) by Operating Activities   | <u>\$44,736</u>            | <u>\$2,897</u>         | <u>\$47,633</u> |

*Fiduciary Funds*

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*Agency Funds*

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**Municipal Court – Traffic and Criminal Fund**

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

**Municipal Court - Civil and Small Claims Fund**

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

**Imprest Cash Fund**

To account for petty cash.

**Insurance Deposit Fund**

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

**LGIF Fund**

This fund is used to account for assets held by the City for transactions related to a loan from the Local government innovation fund entered into by the City and three other local governments. The City is responsible for collecting debt payments from those three local governments and making payment on behalf of those entities to the State of Ohio.

**CITY OF XENIA, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Balance<br>December 31, 2012 | Additions   | Deductions    | Balance<br>December 31, 2013 |
|--|------------------------------|-------------|---------------|------------------------------|
| <b>Municipal Court - Traffic and Criminal:</b>   |                              |             |               |                              |
| Assets:  |                              |             |               |                              |
| Cash and Cash Equivalents                        | \$181,959                    | \$1,047,970 | (\$1,105,523) | \$124,406                    |
| Total Assets                                     | \$181,959                    | \$1,047,970 | (\$1,105,523) | \$124,406                    |
| Liabilities:                                     |                              |             |               |                              |
| Accounts Payable                                 | \$61,664                     | \$791,512   | (\$800,377)   | \$52,799                     |
| Restricted Deposits                              | \$120,295                    | \$256,458   | (\$305,146)   | \$71,607                     |
| Total Liabilities                                | \$181,959                    | \$1,047,970 | (\$1,105,523) | \$124,406                    |
| <b>Municipal Court - Civil and Small Claims:</b> |                              |             |               |                              |
| Assets:  |                              |             |               |                              |
| Cash and Cash Equivalents                        | \$11,325                     | \$614,340   | (\$618,138)   | \$7,527                      |
| Total Assets                                     | \$11,325                     | \$614,340   | (\$618,138)   | \$7,527                      |
| Liabilities:                                     |                              |             |               |                              |
| Accounts Payable                                 | \$7,414                      | \$606,225   | (\$607,723)   | \$5,916                      |
| Restricted Deposits                              | \$3,911                      | \$8,115     | (\$10,415)    | \$1,611                      |
| Total Liabilities                                | \$11,325                     | \$614,340   | (\$618,138)   | \$7,527                      |
| <b>Imprest Cash:</b>                             |                              |             |               |                              |
| Assets:  |                              |             |               |                              |
| Cash and Cash Equivalents                        | \$2,190                      | \$0         | \$0           | \$2,190                      |
| Total Assets                                     | \$2,190                      | \$0         | \$0           | \$2,190                      |
| Liabilities:                                     |                              |             |               |                              |
| Restricted Deposits                              | \$2,190                      | \$0         | \$0           | \$2,190                      |
| Total Liabilities                                | \$2,190                      | \$0         | \$0           | \$2,190                      |
| <b>Insurance Deposit:</b>                        |                              |             |               |                              |
| Assets:  |                              |             |               |                              |
| Cash and Cash Equivalents                        | \$0                          | \$31,380    | (\$23,383)    | \$7,997                      |
| Total Assets                                     | \$0                          | \$31,380    | (\$23,383)    | \$7,997                      |
| Liabilities:                                     |                              |             |               |                              |
| Restricted Deposits                              | \$0                          | \$31,380    | (\$23,383)    | \$7,997                      |
| Total Liabilities                                | \$0                          | \$31,380    | (\$23,383)    | \$7,997                      |
| <b>LGIF Loan:</b>                                |                              |             |               |                              |
| Assets:  |                              |             |               |                              |
| Accounts Receivable                              | \$0                          | \$300,000   | \$0           | \$300,000                    |
| Total Assets                                     | \$0                          | \$300,000   | \$0           | \$300,000                    |
| Liabilities:                                     |                              |             |               |                              |
| Accounts Payable                                 | \$0                          | \$300,000   | \$0           | \$300,000                    |
| Total Liabilities                                | \$0                          | \$300,000   | \$0           | \$300,000                    |
| <b>Totals - All Agency Funds:</b>                |                              |             |               |                              |
| Assets:  |                              |             |               |                              |
| Cash and Cash Equivalents                        | \$195,474                    | \$1,693,690 | (\$1,747,044) | \$142,120                    |
| Accounts Receivable                              | \$0                          | \$300,000   | \$0           | \$300,000                    |
| Total Assets                                     | \$195,474                    | \$1,993,690 | (\$1,747,044) | \$442,120                    |
| Liabilities:                                     |                              |             |               |                              |
| Accounts Payable                                 | \$69,078                     | \$1,697,737 | (\$1,408,100) | \$358,715                    |
| Restricted Deposits                              | \$126,396                    | \$295,953   | (\$338,944)   | \$83,405                     |
| Total Liabilities                                | \$195,474                    | \$1,993,690 | (\$1,747,044) | \$442,120                    |





III

*STATISTICAL SECTION*



**STATISTICAL TABLES**

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**T**HIS PART OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT PRESENTS DETAILED INFORMATION AS A CONTEXT FOR UNDERSTANDING WHAT THE INFORMATION IN THE FINANCIAL STATEMENTS, NOTE DISCLOSURES, AND REQUIRED SUPPLEMENTARY INFORMATION SAYS ABOUT THE CITY'S OVERALL FINANCIAL HEALTH.

**Contents**

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|   |           |
|---|-----------|
| <b>Financial Trends</b>   | S2 – S11  |
| These schedules contain trend information to help the reader understand how the City's financial position has changed over time.  |           |
| <b>Revenue Capacity</b>   | S12 – S15 |
| These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the income tax.   |           |
| <b>Debt Capacity</b>  | S16 – S23 |
| 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.   |           |
| <b>Economic and Demographic Information</b>   | S24 – S29 |
| These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. |           |
| <b>Operating Information</b>  | S30 – S37 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.  |           |
| <b>Sources Note:</b>  |           |
| Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.  |           |

**CITY OF XENIA, OHIO**

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

|   | 2004                | 2005                | 2006                | 2007                |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities:</b>             |                     |                     |                     |                     |
| Net Investment in Capital Assets            | \$33,210,938        | \$34,165,799        | \$35,169,467        | \$29,833,471        |
| Restricted                                  | 7,174,753           | 4,210,533           | 4,946,554           | 5,272,948           |
| Unrestricted                                | 946,718             | 4,303,901           | 4,307,135           | 3,872,527           |
| Total Governmental Activities Net Position  | <u>\$41,332,409</u> | <u>\$42,680,233</u> | <u>\$44,423,156</u> | <u>\$38,978,946</u> |
| <b>Business-type Activities:</b>            |                     |                     |                     |                     |
| Net Investment in Capital Assets            | \$14,640,414        | \$14,508,761        | \$14,955,202        | \$19,755,819        |
| Restricted                                  | 0                   | 0                   | 0                   | 0                   |
| Unrestricted                                | 4,738,569           | 5,292,909           | 5,538,677           | 6,502,716           |
| Total Business-type Activities Net Position | <u>\$19,378,983</u> | <u>\$19,801,670</u> | <u>\$20,493,879</u> | <u>\$26,258,535</u> |
| <b>Primary Government:</b>                  |                     |                     |                     |                     |
| Net Investment in Capital Assets            | \$47,851,352        | \$48,674,560        | \$50,124,669        | \$49,589,290        |
| Restricted                                  | 7,174,753           | 4,210,533           | 4,946,554           | 5,272,948           |
| Unrestricted                                | 5,685,287           | 9,596,810           | 9,845,812           | 10,375,243          |
| Total Primary Government Net Position       | <u>\$60,711,392</u> | <u>\$62,481,903</u> | <u>\$64,917,035</u> | <u>\$65,237,481</u> |

Source: City Finance Director's Office

**CITY OF XENIA, OHIO**

| 2008                | 2009                | 2010                | 2011                | Restated<br>2012    | 2013                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$31,133,709        | \$32,711,191        | \$33,054,119        | \$34,113,956        | \$34,504,785        | \$35,558,378        |
| 5,630,788           | 4,179,524           | 6,100,965           | 8,188,065           | 2,662,779           | 5,567,144           |
| 3,792,172           | 3,933,236           | 2,692,145           | 2,287,431           | 6,160,890           | 4,775,505           |
| <u>\$40,556,669</u> | <u>\$40,823,951</u> | <u>\$41,847,229</u> | <u>\$44,589,452</u> | <u>\$43,328,454</u> | <u>\$45,901,027</u> |
| \$21,529,277        | \$21,442,195        | \$21,637,865        | \$22,250,312        | \$22,441,680        | \$22,070,099        |
| 0                   | 0                   | 178,266             | 120,288             | 170,077             | 0                   |
| 7,409,830           | 7,538,994           | 9,830,432           | 9,820,160           | 10,662,384          | 12,124,555          |
| <u>\$28,939,107</u> | <u>\$28,981,189</u> | <u>\$31,646,563</u> | <u>\$32,190,760</u> | <u>\$33,274,141</u> | <u>\$34,194,654</u> |
| \$52,662,986        | \$54,153,386        | \$54,691,984        | \$56,364,268        | \$56,946,465        | \$57,628,477        |
| 5,630,788           | 4,179,524           | 6,279,231           | 8,308,353           | 2,832,856           | 5,567,144           |
| 11,202,002          | 11,472,230          | 12,522,577          | 12,107,591          | 16,823,274          | 16,900,060          |
| <u>\$69,495,776</u> | <u>\$69,805,140</u> | <u>\$73,493,792</u> | <u>\$76,780,212</u> | <u>\$76,602,595</u> | <u>\$80,095,681</u> |

**CITY OF XENIA, OHIO**

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

|   | 2004                       | 2005                       | 2006                       | 2007                       |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Expenses</b>                                       |                            |                            |                            |                            |
| Governmental Activities:                              |                            |                            |                            |                            |
| General Government                                    | \$3,275,929                | \$3,420,815                | \$3,591,944                | \$3,609,339                |
| Public Safety   | 9,902,921                  | 10,011,879                 | 10,948,875                 | 11,119,299                 |
| Health  | 54,859                     | 99,731                     | 66,181                     | 63,718                     |
| Highways and Streets                                  | 2,065,965                  | 1,392,686                  | 1,854,523                  | 2,284,521                  |
| Urban Redevelopment & Housing                         | 284,235                    | 250,539                    | 305,886                    | 345,551                    |
| Economic Development & Assistance                     | 0                          | 0                          | 0                          | 0                          |
| Recreation  | 461,068                    | 350,140                    | 453,440                    | 521,131                    |
| Interest and Fiscal Charges                           | 99,891                     | 100,015                    | 132,606                    | 134,336                    |
| <i>Total Governmental Activities Expenses</i>         | <u>16,144,868</u>          | <u>15,625,805</u>          | <u>17,353,455</u>          | <u>18,077,895</u>          |
| Business-type Activities:                             |                            |                            |                            |                            |
| Water   | 2,429,236                  | 2,527,636                  | 2,700,478                  | 2,688,400                  |
| Sewer   | 3,375,684                  | 3,626,868                  | 3,769,874                  | 3,968,134                  |
| Sanitation  | 1,428,649                  | 1,451,826                  | 1,555,636                  | 1,711,596                  |
| Storm Water   | 0                          | 0                          | 0                          | 140,479                    |
| Other Enterprise Funds                                | 167,506                    | 525,029                    | 162,529                    | 330,293                    |
| <i>Total Business-type Activities Expenses</i>        | <u>7,401,075</u>           | <u>8,131,359</u>           | <u>8,188,517</u>           | <u>8,838,902</u>           |
| <i>Total Primary Government Expenses</i>              | <u><u>\$23,545,943</u></u> | <u><u>\$23,757,164</u></u> | <u><u>\$25,541,972</u></u> | <u><u>\$26,916,797</u></u> |
| <b>Program Revenues</b>                               |                            |                            |                            |                            |
| Governmental Activities:                              |                            |                            |                            |                            |
| Charges for Services                                  |                            |                            |                            |                            |
| General Government                                    | \$1,481,682                | \$1,472,029                | \$1,386,743                | \$1,365,697                |
| Public Safety   | 1,539,810                  | 1,383,846                  | 1,874,889                  | 1,654,935                  |
| Health  | 26,096                     | 0                          | 28,938                     | 27,585                     |
| Highways and Streets                                  | 50                         | 550                        | 6,030                      | 1,040                      |
| Urban Redevelopment & Housing                         | 22,161                     | 32,933                     | 29,769                     | 29,384                     |
| Recreation  | 19,269                     | 36,961                     | 25,613                     | 28,957                     |
| Operating Grants and Contributions                    | 272,929                    | 231,267                    | 233,068                    | 266,159                    |
| Capital Grants and Contributions                      | 570,813                    | 593,807                    | 1,106,413                  | 533,226                    |
| <i>Total Governmental Activities Program Revenues</i> | <u>3,932,810</u>           | <u>3,751,393</u>           | <u>4,691,463</u>           | <u>3,906,983</u>           |

Source: City Finance Director's Office

**CITY OF XENIA, OHIO**

| 2008                | 2009                | 2010                | 2011                | Restated<br>2012    | 2013                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$3,913,536         | \$3,474,135         | \$3,577,856         | \$3,677,014         | \$3,567,483         | \$3,772,609         |
| 11,372,519          | 11,984,216          | 11,311,480          | 12,065,050          | 12,526,166          | 12,688,381          |
| 67,910              | 54,605              | 306,963             | 0                   | 0                   | 0                   |
| 2,054,733           | 1,952,667           | 1,801,149           | 2,409,163           | 2,057,537           | 1,970,034           |
| 360,443             | 285,954             | 247,659             | 139,753             | 112,822             | 106,727             |
| 0                   | 0                   | 0                   | 151,523             | 3,214,435           | 2,960,546           |
| 481,111             | 406,396             | 284,934             | 272,941             | 527,634             | 541,390             |
| 129,250             | 126,203             | 104,977             | 67,642              | 69,614              | 62,446              |
| <u>18,379,502</u>   | <u>18,284,176</u>   | <u>17,635,018</u>   | <u>18,783,086</u>   | <u>22,075,691</u>   | <u>22,102,133</u>   |
| 2,845,241           | 3,110,764           | 2,980,976           | 3,075,621           | 3,907,856           | 3,267,639           |
| 4,187,892           | 4,191,056           | 3,883,632           | 4,346,983           | 4,030,678           | 4,340,898           |
| 1,643,058           | 1,644,491           | 1,577,458           | 1,642,102           | 1,674,999           | 1,474,330           |
| 164,575             | 187,640             | 277,359             | 324,722             | 339,906             | 350,114             |
| 385,728             | 596,196             | 243,485             | 267,108             | 288,049             | 90,913              |
| <u>9,226,494</u>    | <u>9,730,147</u>    | <u>8,962,910</u>    | <u>9,656,536</u>    | <u>10,241,488</u>   | <u>9,523,894</u>    |
| <u>\$27,605,996</u> | <u>\$28,014,323</u> | <u>\$26,597,928</u> | <u>\$28,439,622</u> | <u>\$32,317,179</u> | <u>\$31,626,027</u> |
| \$1,676,228         | \$1,359,765         | \$1,388,914         | \$1,398,435         | \$1,520,315         | \$1,497,509         |
| 2,130,089           | 1,866,335           | 2,307,856           | 1,851,179           | 2,022,807           | 2,338,853           |
| 18,740              | 8,589               | 19,302              | 0                   | 9,548               | 0                   |
| 9,060               | 4,282               | 9,337               | 2,438               | 0                   | 1,138               |
| 22,098              | 19,191              | 30,452              | 0                   | 10,335              | 0                   |
| 30,761              | 20,625              | 8,914               | 5,360               | 5,493               | 4,045               |
| 442,322             | 253,541             | 459,403             | 398,496             | 865,437             | 542,524             |
| 993,095             | 744,718             | 1,098,518           | 1,634,700           | 261,306             | 3,786,699           |
| <u>5,322,393</u>    | <u>4,277,046</u>    | <u>5,322,696</u>    | <u>5,290,608</u>    | <u>4,695,241</u>    | <u>8,170,768</u>    |

(continued)

**CITY OF XENIA, OHIO**

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

|   | 2004                  | 2005                  | 2006                  | 2007                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Business-type Activities:</b>                          |                       |                       |                       |                       |
| Charges for Services                                      |                       |                       |                       |                       |
| Water   | 2,477,131             | 2,652,204             | 2,789,112             | 3,219,234             |
| Sewer   | 3,235,225             | 3,511,327             | 3,536,850             | 4,114,935             |
| Sanitation  | 1,525,558             | 1,525,059             | 1,682,091             | 1,763,401             |
| Storm Water   | 0                     | 0                     | 0                     | 131,161               |
| Other Enterprise Funds                                    | 82,139                | 68,235                | 83,130                | 91,956                |
| Operating Grants and Contributions                        | 0                     | 1,370                 | 0                     | 0                     |
| Capital Grants and Contributions                          | 489,541               | 626,408               | 846,543               | 353,157               |
| <i>Total Business-type Activities Program Revenues</i>    | <u>7,809,594</u>      | <u>8,384,603</u>      | <u>8,937,726</u>      | <u>9,673,844</u>      |
| <i>Total Primary Government Program Revenues</i>          | <u>11,742,404</u>     | <u>12,135,996</u>     | <u>13,629,189</u>     | <u>13,580,827</u>     |
| <b>Net (Expense)/Revenue</b>                              |                       |                       |                       |                       |
| Governmental Activities                                   | (12,212,058)          | (11,874,412)          | (12,661,992)          | (14,170,912)          |
| Business-type Activities                                  | 408,519               | 253,244               | 749,209               | 834,942               |
| <i>Total Primary Government Net (Expense)/Revenue</i>     | <u>(\$11,803,539)</u> | <u>(\$11,621,168)</u> | <u>(\$11,912,783)</u> | <u>(\$13,335,970)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |
| Governmental Activities:                                  |                       |                       |                       |                       |
| Income Taxes  | \$7,911,246           | \$8,240,773           | \$8,604,274           | \$8,786,104           |
| Other Local Taxes   | 1,788,046             | 1,351,473             | 1,814,053             | 1,619,664             |
| Property Taxes  | 0                     | 0                     | 0                     | 0                     |
| Motor Vehicle and Gas Tax                                 | 1,636,792             | 1,417,159             | 1,287,033             | 1,369,889             |
| Intergovernmental, Unrestricted                           | 1,295,779             | 1,878,121             | 2,185,128             | 1,994,721             |
| Investment Earnings                                       | 139,560               | 120,947               | 261,523               | 402,797               |
| Miscellaneous   | 275,952               | 288,763               | 302,904               | 302,915               |
| Transfers   | 0                     | (75,000)              | (50,000)              | (5,583,398)           |
| <i>Total Governmental Activities</i>                      | <u>13,047,375</u>     | <u>13,222,236</u>     | <u>14,404,915</u>     | <u>8,892,692</u>      |
| Business-type Activities:                                 |                       |                       |                       |                       |
| Investment Earnings                                       | 0                     | 94,443                | 0                     | 0                     |
| Transfers   | 0                     | 0                     | 50,000                | 5,583,398             |
| Loss on Disposal of Capital Assets                        | 0                     | 75,000                | 0                     | 0                     |
| <i>Total Business-type Activities</i>                     | <u>0</u>              | <u>169,443</u>        | <u>50,000</u>         | <u>5,583,398</u>      |
| <i>Total Primary Government</i>                           | <u>\$13,047,375</u>   | <u>\$13,391,679</u>   | <u>\$14,454,915</u>   | <u>\$14,476,090</u>   |
| <b>Change in Net Position</b>                             |                       |                       |                       |                       |
| Governmental Activities                                   | \$835,317             | \$1,347,824           | \$1,742,923           | (\$5,278,220)         |
| Business-type Activities                                  | 408,519               | 422,687               | 799,209               | 6,418,340             |
| <i>Total Primary Government Change in Net Position</i>    | <u>\$1,243,836</u>    | <u>\$1,770,511</u>    | <u>\$2,542,132</u>    | <u>\$1,140,120</u>    |

Source: City Finance Director's Office

Note: Prior to 2009 property taxes were included In the other local taxes figure on the entity wide statements.



**CITY OF XENIA, OHIO**

| 2008                  | 2009                  | 2010                 | 2011                  | Restated<br>2012      | 2013                  |
|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| 3,145,639             | 3,425,277             | 3,455,602            | 3,227,912             | 3,321,936             | 3,533,324             |
| 4,100,610             | 4,090,886             | 4,958,089            | 3,563,646             | 4,250,051             | 4,384,154             |
| 1,850,488             | 1,774,993             | 1,917,987            | 2,012,065             | 1,982,788             | 1,954,056             |
| 149,908               | 144,933               | 319,870              | 344,240               | 340,317               | 337,467               |
| 119,189               | 87,633                | 60,528               | 58,587                | 60,610                | 161,317               |
| 36,459                | 0                     | 422,209              | 714,903               | 490,531               | 126,156               |
| 2,494,773             | 418,589               | 205,679              | 383,879               | 0                     | 11,100                |
| <u>11,897,066</u>     | <u>9,942,311</u>      | <u>11,339,964</u>    | <u>10,305,232</u>     | <u>10,446,233</u>     | <u>10,507,574</u>     |
| <u>17,219,459</u>     | <u>14,219,357</u>     | <u>16,662,660</u>    | <u>15,595,840</u>     | <u>15,141,474</u>     | <u>18,678,342</u>     |
| (13,057,109)          | (14,007,130)          | (12,312,322)         | (13,492,478)          | (17,380,450)          | (13,931,365)          |
| <u>2,670,572</u>      | <u>212,164</u>        | <u>2,377,054</u>     | <u>648,696</u>        | <u>204,745</u>        | <u>983,680</u>        |
| <u>(\$10,386,537)</u> | <u>(\$13,794,966)</u> | <u>(\$9,935,268)</u> | <u>(\$12,843,782)</u> | <u>(\$17,175,705)</u> | <u>(\$12,947,685)</u> |
| \$8,848,826           | \$8,318,554           | \$8,272,340          | \$10,969,297          | \$12,276,122          | \$11,732,328          |
| 2,106,148             | 44,590                | 39,052               | 36,655                | 37,308                | 40,137                |
| 0                     | 1,855,068             | 1,582,440            | 1,361,654             | 1,807,780             | 986,812               |
| 1,445,405             | 1,163,541             | 1,459,124            | 1,418,289             | 1,225,059             | 1,474,430             |
| 1,608,619             | 2,048,476             | 1,755,690            | 1,895,351             | 1,283,809             | 1,811,934             |
| 294,596               | 264,225               | 80,055               | 63,913                | 38,295                | 27,308                |
| 341,238               | 409,876               | 209,174              | 385,043               | 329,715               | 367,822               |
| (10,000)              | 170,082               | (62,275)             | 104,499               | (878,636)             | 63,167                |
| <u>14,634,832</u>     | <u>14,274,412</u>     | <u>13,335,600</u>    | <u>16,234,701</u>     | <u>16,119,452</u>     | <u>16,503,938</u>     |
| 0                     | 0                     | 0                    | 0                     | 0                     | 0                     |
| 10,000                | (170,082)             | 62,275               | (104,499)             | 878,636               | (63,167)              |
| 0                     | 0                     | 0                    | 0                     | 0                     | 0                     |
| <u>10,000</u>         | <u>(170,082)</u>      | <u>62,275</u>        | <u>(104,499)</u>      | <u>878,636</u>        | <u>(63,167)</u>       |
| <u>\$14,644,832</u>   | <u>\$14,104,330</u>   | <u>\$13,397,875</u>  | <u>\$16,130,202</u>   | <u>\$16,998,088</u>   | <u>\$16,440,771</u>   |
| \$1,577,723           | \$267,282             | \$1,023,278          | \$2,742,223           | (\$1,260,998)         | \$2,572,573           |
| <u>2,680,572</u>      | <u>42,082</u>         | <u>2,439,329</u>     | <u>544,197</u>        | <u>1,083,381</u>      | <u>920,513</u>        |
| <u>\$4,258,295</u>    | <u>\$309,364</u>      | <u>\$3,462,607</u>   | <u>\$3,286,420</u>    | <u>(\$177,617)</u>    | <u>\$3,493,086</u>    |

**CITY OF XENIA, OHIO**

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

|   | 2004                      | 2005                      | 2006                      | 2007                      |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund                              |                           |                           |                           |                           |
| Nonspendable                              |                           |                           |                           |                           |
| Assigned                                  |                           |                           |                           |                           |
| Unassigned                                |                           |                           |                           |                           |
| Restricted                                | \$192,182                 | \$222,249                 | \$181,258                 | \$255,520                 |
| Committed                                 | 3,868,062                 | 3,516,994                 | 3,412,434                 | 3,175,961                 |
| <i>Total General Fund</i>                 | <u>4,060,244</u>          | <u>3,739,243</u>          | <u>3,593,692</u>          | <u>3,431,481</u>          |
| All Other Governmental Funds              |                           |                           |                           |                           |
| Nonspendable                              |                           |                           |                           |                           |
| Restricted                                |                           |                           |                           |                           |
| Committed                                 |                           |                           |                           |                           |
| Assigned                                  |                           |                           |                           |                           |
| Reserved                                  | 623,976                   | 2,262,308                 | 340,493                   | 588,127                   |
| Unreserved, Undesignated,<br>Reported in: |                           |                           |                           |                           |
| Special Revenue Funds                     | 1,066,824                 | 1,077,043                 | 1,437,656                 | 1,951,198                 |
| Capital Projects Funds                    | 1,346,287                 | 207,596                   | 2,544,355                 | 2,303,063                 |
| <i>Total All Other Governmental Funds</i> | <u>3,037,087</u>          | <u>3,546,947</u>          | <u>4,322,504</u>          | <u>4,842,388</u>          |
| <i>Total Governmental Funds</i>           | <u><u>\$7,097,331</u></u> | <u><u>\$7,286,190</u></u> | <u><u>\$7,916,196</u></u> | <u><u>\$8,273,869</u></u> |

Source: City Finance Director's Office  
(1) The City Implemented GASB 54 in 2011.

**CITY OF XENIA, OHIO**

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| 2008        | 2009        | 2010        | 2011         | 2012         | 2013         |
|-------------|-------------|-------------|--------------|--------------|--------------|
|             |             |             | \$59,044     | \$53,487     | \$51,992     |
|             |             |             | 188,601      | 1,662,830    | 240,208      |
|             |             |             | 1,872,104    | 1,096,424    | 3,509,005    |
| \$294,705   | \$213,890   | \$167,371   | -            | -            | -            |
| 3,913,707   | 4,286,603   | 1,875,461   | -            | -            | -            |
| 4,208,412   | 4,500,493   | 2,042,832   | 2,119,749    | 2,812,741    | 3,801,205    |
|             |             |             | 140,563      | 209,783      | 221,393      |
|             |             |             | 6,042,733    | 5,173,704    | 5,919,266    |
|             |             |             | 117,026      | 149,778      | 219,170      |
|             |             |             | 1,952,407    | 2,130,590    | 0            |
| 953,204     | 428,075     | 1,440,549   | 0            | 0            | 0            |
| 1,744,102   | 1,731,786   | 4,578,277   | 0            | 0            | 0            |
| 2,347,725   | 1,501,554   | 740,547     | 0            | 0            | 0            |
| 5,045,031   | 3,661,415   | 6,759,373   | 8,252,729    | 7,663,855    | 6,359,829    |
| \$9,253,443 | \$8,161,908 | \$8,802,205 | \$10,372,478 | \$10,476,596 | \$10,161,034 |

**CITY OF XENIA, OHIO**

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

|  | 2004              | 2005              | 2006              | 2007              |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues:</b>   |                   |                   |                   |                   |
| Municipal Income Tax   | \$8,016,918       | \$8,158,020       | \$8,396,732       | \$8,764,208       |
| Other Local Taxes  | 1,788,046         | 1,235,494         | 1,762,886         | 1,786,810         |
| State Shared Taxes and Permits                                     | 2,961,220         | 3,174,305         | 3,425,030         | 3,552,734         |
| Special Assessments  | 27,037            | 0                 | 0                 | 0                 |
| Intergovernmental Grants   | 241,506           | 816,668           | 699,375           | 808,075           |
| Charges for Services   | 1,508,894         | 1,463,158         | 1,620,614         | 1,575,315         |
| Fines, Costs, Forfeitures, Licenses and Permits                    | 1,359,346         | 1,357,391         | 1,260,496         | 1,220,823         |
| Miscellaneous Receipts and Reimbursements,<br>including Interest   | 634,984           | 712,872           | 1,074,806         | 1,074,252         |
| <b>Total Revenue</b>   | <u>16,537,951</u> | <u>16,917,908</u> | <u>18,239,939</u> | <u>18,782,217</u> |
| <b>Expenditures:</b>   |                   |                   |                   |                   |
| Current:   |                   |                   |                   |                   |
| General Government   | 3,098,492         | 3,057,658         | 3,271,162         | 3,307,934         |
| Public Safety  | 9,557,428         | 9,925,722         | 10,440,937        | 10,638,670        |
| Health   | 53,237            | 60,873            | 62,507            | 60,524            |
| Highways and Streets   | 1,337,651         | 1,334,299         | 1,361,864         | 1,606,466         |
| Urban Redevelopment & Housing                                      | 265,626           | 283,489           | 289,074           | 331,927           |
| Economic Development & Assistance                                  | 0                 | 0                 | 0                 | 0                 |
| Recreation   | 376,688           | 319,900           | 361,767           | 386,229           |
| Capital Outlay   | 798,494           | 1,482,509         | 2,556,380         | 1,651,163         |
| Debt Service:  |                   |                   |                   |                   |
| Principal Retirement   | 190,537           | 202,149           | 255,749           | 346,055           |
| Interest and Fiscal Charges  | 100,745           | 99,416            | 111,844           | 134,491           |
| <b>Total Expenditures</b>  | <u>15,778,898</u> | <u>16,766,015</u> | <u>18,711,284</u> | <u>18,463,459</u> |
| Excess (Deficiency) of Revenues<br>Over Expenditures               | 759,053           | 151,893           | (471,345)         | 318,758           |
| <b>Other Financing Sources (Uses):</b>                             |                   |                   |                   |                   |
| Other Financing Sources - Capital Leases                           | 158,579           | 97,419            | 1,126,811         | 105,419           |
| General Obligation Bonds Issued                                    | 0                 | 0                 | 0                 | 0                 |
| Proceeds from Sale of Notes  | 0                 | 0                 | 0                 | 0                 |
| Transfers In   | 1,163,000         | 1,028,459         | 975,000           | 1,119,000         |
| Transfers Out  | (1,163,000)       | (1,103,459)       | (1,025,000)       | (1,200,121)       |
| <b>Total Other Financing Sources (Uses)</b>                        | <u>158,579</u>    | <u>22,419</u>     | <u>1,076,811</u>  | <u>24,298</u>     |
| <b>Net Change in Fund Balance</b>                                  | <u>\$917,632</u>  | <u>\$174,312</u>  | <u>\$605,466</u>  | <u>\$343,056</u>  |
| <b>Debt Service as a Percentage<br/>of Noncapital Expenditures</b> | 2.01%             | 2.07%             | 2.32%             | 2.72%             |

Source: City Finance Director's Office

**CITY OF XENIA, OHIO**

| 2008              | 2009                 | 2010               | 2011               | 2012               | 2013               |
|-------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| \$8,973,379       | \$8,418,354          | \$8,262,780        | \$10,933,675       | \$11,599,673       | \$11,582,587       |
| 2,106,148         | 1,899,658            | 1,619,094          | 1,400,707          | 1,293,188          | 1,472,542          |
| 3,479,048         | 3,296,472            | 3,097,393          | 3,109,036          | 2,707,651          | 3,007,312          |
| 0                 | 0                    | 0                  | 0                  | 0                  | 0                  |
| 1,333,417         | 908,950              | 1,522,973          | 2,100,211          | 1,142,233          | 3,920,886          |
| 1,712,640         | 1,669,891            | 1,766,578          | 1,485,407          | 1,635,508          | 1,918,720          |
| 1,723,130         | 1,422,179            | 1,418,432          | 1,357,962          | 1,435,372          | 1,358,049          |
| <u>1,122,768</u>  | <u>909,516</u>       | <u>881,195</u>     | <u>835,290</u>     | <u>808,439</u>     | <u>979,786</u>     |
| <u>20,450,530</u> | <u>18,525,020</u>    | <u>18,568,445</u>  | <u>21,222,288</u>  | <u>20,622,064</u>  | <u>24,239,882</u>  |
| 3,702,693         | 3,119,824            | 3,136,271          | 3,383,703          | 3,490,798          | 3,478,462          |
| 10,853,395        | 11,456,004           | 10,721,657         | 11,502,926         | 11,927,807         | 12,264,065         |
| 64,843            | 51,780               | 48,257             | 0                  | 0                  | 0                  |
| 1,641,621         | 1,425,152            | 1,353,816          | 1,295,688          | 1,290,424          | 1,365,466          |
| 344,549           | 289,694              | 248,432            | 130,324            | 91,730             | 82,763             |
| 0                 | 0                    | 0                  | 146,663            | 153,967            | 191,046            |
| 390,777           | 319,544              | 169,228            | 158,251            | 166,091            | 166,868            |
| 2,420,322         | 2,498,161            | 1,739,237          | 3,443,902          | 2,829,747          | 8,029,355          |
| 381,681           | 433,103              | 1,315,647          | 433,131            | 538,820            | 402,837            |
| <u>132,540</u>    | <u>128,364</u>       | <u>112,635</u>     | <u>70,461</u>      | <u>74,378</u>      | <u>56,112</u>      |
| <u>19,932,421</u> | <u>19,721,626</u>    | <u>18,845,180</u>  | <u>20,565,049</u>  | <u>20,563,762</u>  | <u>26,036,974</u>  |
| 518,109           | (1,196,606)          | (276,735)          | 657,239            | 58,302             | (1,797,092)        |
| 448,251           | 190,080              | 0                  | 0                  | 0                  | 1,371,415          |
| 0                 | 0                    | 927,531            | 953,712            | 0                  | 0                  |
| 0                 | 0                    | 0                  | 0                  | 0                  | 100,000            |
| 694,000           | 234,001              | 7,512,071          | 5,370,000          | 4,546,000          | 4,825,000          |
| <u>(704,000)</u>  | <u>(247,000)</u>     | <u>(7,528,071)</u> | <u>(5,391,500)</u> | <u>(4,569,000)</u> | <u>(4,825,000)</u> |
| <u>438,251</u>    | <u>177,081</u>       | <u>911,531</u>     | <u>932,212</u>     | <u>(23,000)</u>    | <u>1,471,415</u>   |
| <u>\$956,360</u>  | <u>(\$1,019,525)</u> | <u>\$634,796</u>   | <u>\$1,589,451</u> | <u>\$35,302</u>    | <u>(\$325,677)</u> |
| 2.97%             | 3.42%                | 8.08%              | 2.92%              | 3.58%              | 2.09%              |

**CITY OF XENIA, OHIO**

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*Income Tax Revenues by Source, Governmental Funds  
Last Ten Years*

| <b>Tax year</b>                | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--------------------------------|-------------|-------------|-------------|-------------|
| Income Tax Rate                | 1.75%       | 1.75%       | 1.75%       | 1.75%       |
| Total Tax Collected            | \$7,772,336 | \$8,144,456 | \$8,574,742 | \$7,996,915 |
| Income Tax Receipts            |             |             |             |             |
| Withholding                    | 6,005,868   | 6,224,137   | 6,508,901   | 5,917,884   |
| Percentage                     | 77.27%      | 76.42%      | 75.91%      | 74.00%      |
| Direct (Individual & Business) | 1,766,468   | 1,920,319   | 2,065,841   | 2,079,031   |
| Percentage                     | 22.73%      | 23.58%      | 24.09%      | 26.00%      |

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

Source: City Income Tax Department

*CITY OF XENIA, OHIO*

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| 2008        | 2009        | 2010        | 2011         | 2012         | 2013         |
|-------------|-------------|-------------|--------------|--------------|--------------|
| 1.75%       | 1.75%       | 1.75%       | 2.25%        | 2.25%        | 2.25%        |
| \$8,863,480 | \$8,263,057 | \$8,354,222 | \$10,310,172 | \$11,595,945 | \$11,634,384 |
| 6,870,315   | 6,425,740   | 6,377,354   | 8,075,838    | 8,533,750    | 8,310,102    |
| 77.51%      | 77.76%      | 76.34%      | 78.33%       | 73.59%       | 71.43%       |
| 1,993,165   | 1,837,317   | 1,976,868   | 2,234,334    | 3,062,195    | 3,324,282    |
| 22.49%      | 22.24%      | 23.66%      | 21.67%       | 26.41%       | 28.57%       |





**CITY OF XENIA, OHIO**

*Income Tax Collections*  
*Current Year and Seven Years Ago*

| Calendar Year 2013 |                  |                  |                      |                   |
|--------------------|------------------|------------------|----------------------|-------------------|
| Income Level       | Number of Filers | Percent of Total | Local Taxable Income | Percent of Income |
| \$0 - \$19,999     | 6,665            | 54.24%           | \$37,749,542         | 10.71%            |
| 20,000 - 49,999    | 3,172            | 25.81%           | 105,123,664          | 29.82%            |
| 50,000 - 74,999    | 1,251            | 10.18%           | 76,169,531           | 21.60%            |
| 75,000 - 99,999    | 646              | 5.26%            | 55,584,202           | 15.77%            |
| Over 100,000       | 554              | 4.51%            | 77,930,768           | 22.10%            |
| <b>Total</b>       | <b>12,288</b>    | <b>100.00%</b>   | <b>\$352,557,707</b> | <b>100.00%</b>    |

| Local Taxes Paid by Residents          | Tax Dollars        |
|--|--------------------|
| Taxes Paid to the City of Xenia        | \$6,206,529        |
| Taxes Credited to Other Municipalities | 1,726,020          |
|  | <b>\$7,932,549</b> |

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

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

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

**CITY OF XENIA, OHIO**

*Ratio of Outstanding Debt By Type  
Last Ten Years*

|  | 2004               | 2005               | 2006               | 2007                |
|--|--------------------|--------------------|--------------------|---------------------|
| <b>Governmental Activities</b> <sup>(1)</sup>  |                    |                    |                    |                     |
| General Obligation Bonds Payable               | \$1,220,000        | \$1,170,000        | \$1,120,000        | \$1,065,000         |
| Capital Leases                                 | 965,571            | 910,841            | 1,831,903          | 1,646,267           |
| Local Government Innovation Fund               | 0                  | 0                  | 0                  | 0                   |
| <b>Business-type Activities</b> <sup>(1)</sup> |                    |                    |                    |                     |
| Ohio Water Development Authority Loans Payable | \$7,425,789        | \$6,947,955        | \$6,456,316        | \$5,950,478         |
| General Obligation Bonds Payable               | 0                  | 0                  | 0                  | 0                   |
| Capital Leases                                 | 0                  | 0                  | 0                  | 1,782,755           |
| Total Primary Government                       | <u>\$9,611,360</u> | <u>\$9,028,796</u> | <u>\$9,408,219</u> | <u>\$10,444,500</u> |
| <b>Population</b> <sup>(2)</sup>               |                    |                    |                    |                     |
| City of Xenia                                  | 24,164             | 24,164             | 24,164             | 24,164              |
| Outstanding Debt Per Capita                    | \$398              | \$374              | \$389              | \$432               |
| <b>Income</b> <sup>(3)</sup>                   |                    |                    |                    |                     |
| Personal (in thousands)                        | 398,247            | 398,247            | 398,247            | 476,611             |
| Percentage of Personal Income                  | 2.41%              | 2.27%              | 2.36%              | 2.19%               |

**Sources:**

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis information prior to 2007 is not available, the City used the latest information available.
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

**CITY OF XENIA, OHIO**

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| 2008        | 2009        | 2010        | 2011        | 2012         | 2013         |
|-------------|-------------|-------------|-------------|--------------|--------------|
| \$1,005,000 | \$945,000   | \$920,000   | \$1,803,712 | \$1,642,248  | \$1,577,159  |
| 1,772,837   | 1,589,809   | 1,219,167   | 856,036     | 478,680      | 1,610,590    |
| 0           | 0           | 0           | 0           | 0            | 100,000      |
| \$5,430,029 | \$4,894,544 | \$6,226,960 | \$5,509,733 | \$6,555,052  | \$6,006,280  |
| 0           | 0           | 0           | 120,288     | 109,383      | 98,243       |
| 1,697,182   | 1,607,731   | 1,514,227   | 1,416,485   | 1,314,314    | 1,207,514    |
| \$9,905,048 | \$9,037,084 | \$9,880,354 | \$9,706,254 | \$10,099,677 | \$10,599,786 |
| 24,164      | 27,357      | 25,719      | 25,915      | 25,983       | 25,879       |
| \$410       | \$330       | \$384       | \$375       | \$389        | \$410        |
| 466,800     | 518,470     | 493,702     | 497,464     | 515,659      | 514,733      |
| 2.12%       | 1.74%       | 2.00%       | 1.95%       | 1.96%        | 2.06%        |

**CITY OF XENIA, OHIO**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

| Year  | 2004          | 2005          | 2006          | 2007          |
|---|---------------|---------------|---------------|---------------|
| <b>Population</b> (1)   | 24,164        | 24,164        | 24,164        | 24,164        |
| <b>Assessed Value</b> (2)                                     | \$349,957,342 | \$348,140,994 | \$373,253,479 | \$374,629,702 |
| <b>General Bonded Debt</b> (3)                                |               |               |               |               |
| General Obligation Bonds                                      | \$1,220,000   | \$1,170,000   | \$1,120,000   | \$1,065,000   |
| <b>Resources Available to Pay Principal</b> (4)               | \$27,054      | \$20,610      | \$19,604      | \$21,452      |
| <b>Net General Bonded Debt</b>                                | \$1,192,946   | \$1,149,390   | \$1,100,396   | \$1,043,548   |
| <b>Ratio of Net Bonded Debt<br/>to Estimated Actual Value</b> | 0.34%         | 0.33%         | 0.29%         | 0.28%         |
| <b>Net Bonded Debt per Capita</b>                             | \$49.37       | \$47.57       | \$45.54       | \$43.19       |

**Source:**

- (1) U.S. Bureau of Census of Population
- (2) Greene County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.  
There were no General Obligation Bonds prior to 1999.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

**CITY OF XENIA, OHIO**

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| 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 24,164        | 27,357        | 25,719        | 25,915        | 25,983        | 25,879        |
| \$380,225,360 | \$399,918,650 | \$401,707,460 | \$376,284,220 | \$369,340,160 | \$380,957,080 |
| \$1,005,000   | \$945,000     | \$920,000     | \$1,924,000   | \$1,751,631   | \$1,577,159   |
| \$25,266      | \$33,971      | \$36,141      | \$59,811      | \$75,610      | \$93,038      |
| \$979,734     | \$911,029     | \$883,859     | \$1,864,189   | \$1,676,021   | \$1,484,121   |
| 0.26%         | 0.23%         | 0.22%         | 0.50%         | 0.45%         | 0.39%         |
| \$40.55       | \$33.30       | \$34.37       | \$71.93       | \$64.50       | \$57.35       |



**CITY OF XENIA, OHIO**

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*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2013*

| <u>Jurisdiction</u>             | <u>Gross Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to<br/>the City of<br/>Xenia</u> | <u>Amount<br/>Applicable to<br/>the City of<br/>Xenia</u> |
|---------------------------------|-----------------------------------|---|---|
| <b>Direct:</b>                  |                                   |   |   |
| City of Xenia                   | \$3,189,506.00                    | 100.00%   | \$3,189,506   |
| <b>Overlapping:</b>             |                                   |   |   |
| Greene County                   | \$111,279,200.00                  | 9.91%   | 11,027,769  |
| Xenia Community School District | \$37,448,621.00                   | 58.39%  | 21,866,250  |
| Greene County Career Center     | \$66,667.00                       | 9.97%   | 6,647   |
|                                 |                                   | Subtotal  | <u>32,900,666</u>   |
|                                 |                                   | Total   | <u><u>\$36,090,172</u></u>                                |

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

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

**CITY OF XENIA, OHIO**

*Debt Limitations  
Last Ten Years*

| <b>Collection Year</b>                     | <u>2004</u>                | <u>2005</u>                | <u>2006</u>                | <u>2007</u>                |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Total Debt</b>                          |                            |                            |                            |                            |
| Net Assessed Valuation                     | \$349,957,342              | \$348,140,994              | \$373,253,479              | \$374,629,702              |
| Legal Debt Limitation (%) (1)              | 10.50%                     | 10.50%                     | 10.50%                     | 10.50%                     |
| Legal Debt Limitation (\$) (1)             | 36,745,521                 | 36,554,804                 | 39,191,615                 | 39,336,119                 |
| City Debt Outstanding (2)                  | 1,220,000                  | 1,170,000                  | 1,120,000                  | 1,065,000                  |
| Less: Applicable Debt Service Fund Amounts | <u>0</u>                   | <u>0</u>                   | <u>0</u>                   | <u>0</u>                   |
| Net Indebtedness Subject to Limitation     | <u>1,220,000</u>           | <u>1,170,000</u>           | <u>1,120,000</u>           | <u>1,065,000</u>           |
| Overall Legal Debt Margin                  | <u><u>\$35,525,521</u></u> | <u><u>\$35,384,804</u></u> | <u><u>\$38,071,615</u></u> | <u><u>\$38,271,119</u></u> |
| <b>Unvoted Debt</b>                        |                            |                            |                            |                            |
| Net Assessed Valuation                     | \$349,957,342              | \$348,140,994              | \$373,253,479              | \$374,629,702              |
| Legal Debt Limitation (%) (1)              | 5.50%                      | 5.50%                      | 5.50%                      | 5.50%                      |
| Legal Debt Limitation (\$) (1)             | 19,247,654                 | 19,147,755                 | 20,528,941                 | 20,604,634                 |
| City Debt Outstanding (2)                  | 1,220,000                  | 1,170,000                  | 1,120,000                  | 1,065,000                  |
| Less: Applicable Debt Service Fund Amounts | <u>27,054</u>              | <u>20,610</u>              | <u>19,604</u>              | <u>21,452</u>              |
| Net Indebtedness Subject to Limitation     | <u>1,247,054</u>           | <u>1,190,610</u>           | <u>1,139,604</u>           | <u>1,086,452</u>           |
| Overall Legal Debt Margin                  | <u><u>\$18,000,600</u></u> | <u><u>\$17,957,145</u></u> | <u><u>\$19,389,337</u></u> | <u><u>\$19,518,182</u></u> |

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

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

Source: City Finance Director's Office



**CITY OF XENIA, OHIO**

| 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$380,225,360 | \$399,918,650 | \$401,707,460 | \$376,284,220 | \$369,340,160 | \$380,957,080 |
| 10.50%        | 10.50%        | 10.50%        | 10.50%        | 10.50%        | 10.50%        |
| 39,923,663    | 41,991,458    | 42,179,283    | 39,509,843    | 38,780,717    | 40,000,493    |
| 1,005,000     | 945,000       | 920,000       | 1,924,000     | 1,751,631     | 1,577,159     |
| 0             | 0             | 0             | 0             | 0             | 0             |
| 1,005,000     | 945,000       | 920,000       | 1,924,000     | 1,751,631     | 1,577,159     |
| \$38,918,663  | \$41,046,458  | \$41,259,283  | \$37,585,843  | \$37,029,086  | \$38,423,334  |
| <br>          |               |               |               |               |               |
| \$380,225,360 | \$399,918,650 | \$401,707,460 | \$376,284,220 | \$369,340,160 | \$380,957,080 |
| 5.50%         | 5.50%         | 5.50%         | 5.50%         | 5.50%         | 5.50%         |
| 20,912,395    | 21,995,526    | 22,093,910    | 20,695,632    | 20,313,709    | 20,952,639    |
| 1,005,000     | 945,000       | 920,000       | 1,924,000     | 1,751,631     | 1,577,159     |
| 25,266        | 33,971        | 36,141        | 59,811        | 75,610        | 93,038        |
| 1,030,266     | 978,971       | 956,141       | 1,983,811     | 1,827,241     | 1,670,197     |
| \$19,882,129  | \$21,016,555  | \$21,137,769  | \$18,711,821  | \$18,486,468  | \$19,282,442  |

**CITY OF XENIA, OHIO**

*Demographic and Economic Statistics  
Last Ten Years*

| Calendar Year   | 2004      | 2005      | 2006      | 2007      |
|---|-----------|-----------|-----------|-----------|
| <b>Population</b> <sup>(1)</sup>  |           |           |           |           |
| City of Xenia   | 24,164    | 24,164    | 24,164    | 24,164    |
| Greene County   | 148,607   | 148,607   | 148,607   | 148,607   |
| <b>Income</b> <sup>(2) (a)</sup>  |           |           |           |           |
| Total Personal (in thousands)   | 398,247   | 398,247   | 398,247   | 476,611   |
| Per Capita  | 16,481    | 16,481    | 16,481    | 19,724    |
| <b>Unemployment Rate</b> <sup>(3)</sup>                                       |           |           |           |           |
| Federal   | 6.0%      | 5.5%      | 4.6%      | 4.6%      |
| State   | 6.1%      | 6.0%      | 5.5%      | 5.6%      |
| Greene County   | 4.9%      | 5.5%      | 5.1%      | 5.3%      |
| <b>Civilian Work Force Estimates</b> <sup>(3)</sup>                           |           |           |           |           |
| State   | 5,875,300 | 5,900,400 | 5,934,000 | 5,976,500 |
| Greene County   | 77,200    | 77,000    | 77,400    | 78,000    |
| <b>Employment Distribution by Occupation</b> <sup>(1)</sup>                   |           |           |           |           |
| Agriculture, forestry, fishing, hunting, and mining                           | 29        | 29        | 29        | 29        |
| Construction  | 701       | 701       | 701       | 701       |
| Manufacturing   | 1,952     | 1,952     | 1,952     | 1,952     |
| Wholesale trade   | 240       | 240       | 240       | 240       |
| Retail trade  | 1,511     | 1,511     | 1,511     | 1,511     |
| Transportation, warehousing, and utilities info.                              | 448       | 448       | 448       | 448       |
| Information   | 190       | 190       | 190       | 190       |
| Finance, insurance, real estate, rental and leasing                           | 436       | 436       | 436       | 436       |
| Professional, scientific, management,<br>administrative, and waste management | 713       | 713       | 713       | 713       |
| Educational, health, and social services                                      | 2,389     | 2,389     | 2,389     | 2,389     |
| Arts, entertainment, recreation, accommodation<br>and food services           | 828       | 828       | 828       | 828       |
| Other Services  | 641       | 641       | 641       | 641       |
| Public Administration   | 843       | 843       | 843       | 843       |
| <b>Daytime Population</b> <sup>(1)</sup>                                      | 22,424    | 22,424    | 22,424    | 22,424    |

**Sources:**

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information prior to 2007 is not available, the City used the latest information available.

(a) Per Capita Income was obtained from the US Census Bureau American Fact Finder Website.

(3) State Department of Labor Statistics

**CITY OF XENIA, OHIO**

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| 2008      | 2009      | 2010      | 2011      | 2012      | 2013      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 24,164    | 27,357    | 25,719    | 25,915    | 25,983    | 25,879    |
| 148,607   | 159,823   | 161,573   | 163,219   | 163,852   | 163,204   |
| 466,800   | 518,470   | 493,702   | 497,464   | 515,659   | 514,733   |
| 19,318    | 18,952    | 19,196    | 19,196    | 19,846    | 19,890    |
| 7.1%      | 9.7%      | 9.1%      | 8.3%      | 7.6%      | 6.5%      |
| 7.7%      | 10.7%     | 9.2%      | 7.6%      | 6.6%      | 6.6%      |
| 7.0%      | 10.6%     | 9.2%      | 7.3%      | 6.4%      | 6.2%      |
| 5,931,600 | 5,884,900 | 5,874,200 | 5,762,000 | 5,701,000 | 5,728,000 |
| 78,200    | 79,700    | 79,900    | 79,000    | 77,600    | 76,800    |
| 29        | 29        | 89        | 99        | 66        | 56        |
| 701       | 701       | 628       | 530       | 566       | 656       |
| 1,952     | 1,952     | 1,351     | 1,019     | 1,185     | 1,004     |
| 240       | 240       | 281       | 213       | 174       | 231       |
| 1,511     | 1,511     | 1,342     | 1,410     | 1,341     | 1,714     |
| 448       | 448       | 700       | 638       | 568       | 528       |
| 190       | 190       | 297       | 191       | 206       | 197       |
| 436       | 436       | 512       | 499       | 509       | 410       |
| 713       | 713       | 1,203     | 925       | 770       | 742       |
| 2,389     | 2,389     | 3153      | 2705      | 2954      | 2534      |
| 828       | 828       | 1096      | 1274      | 1154      | 1020      |
| 641       | 641       | 621       | 669       | 606       | 603       |
| 843       | 843       | 742       | 836       | 748       | 794       |
| 22,424    | 22,424    | 22,424    | 22,424    | 22,424    | 22,424    |



**CITY OF XENIA, OHIO**

*Principal Employers  
Current Year and Seven Years Ago*

| Employer                         | Nature of Business | 2013                 |      |                                |
|----------------------------------|--------------------|----------------------|------|--------------------------------|
|                                  |                    | Number of Employees  | Rank | Percentage of Total Employment |
| Greene County                    | Government         | 1,208                | 1    | 5.29%                          |
| Kettering Med Center Network     | Health Care        | 1,192                | 2    | 5.22%                          |
| Xenia Community Schools          | Education          | 849                  | 3    | 3.71%                          |
| Walmart                          | Retail             | 486                  | 4    | 2.13%                          |
| Express Personnel Services       | Other Services     | 294                  | 5    | 1.29%                          |
| Kroger                           | Grocery            | 261                  | 6    | 1.14%                          |
| City of Xenia                    | Government         | 252                  | 7    | 1.10%                          |
| Hospice of Miami Valley          | Health Care        | 230                  | 8    | 1.01%                          |
| Time Warner Cable                | Entertainment      | 200                  | 9    | 0.88%                          |
| Campus Crusade for Christ        | Non Profit         | 192                  | 10   | 0.84%                          |
| Total                            |                    | <u>5,164</u>         |      |                                |
| Total Employment within the City |                    | <u><u>22,854</u></u> |      |                                |

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

**Sources:**

City of Xenia Income Tax Department

Data is not available prior to 2007.

**CITY OF XENIA, OHIO**

*Full Time Equivalent Employees by Function  
Last Ten Years*

|                                  | 2004   | 2005   | 2006   | 2007   |
|----------------------------------|--------|--------|--------|--------|
| <b>Governmental Activities</b>   |        |        |        |        |
| General Government               |        |        |        |        |
| Finance                          | 17.50  | 16.50  | 18.50  | 18.50  |
| Legal/Court                      | 30.75  | 30.50  | 29.75  | 29.00  |
| Administration                   | 7.00   | 6.00   | 6.00   | 6.00   |
| Information Technology           |        |        |        |        |
| Security of Persons and Property |        |        |        |        |
| Police                           | 69.00  | 69.00  | 69.00  | 70.00  |
| Fire                             | 42.00  | 42.00  | 42.00  | 43.00  |
| Transportation                   |        |        |        |        |
| Street                           | 18.50  | 18.50  | 18.50  | 16.00  |
| Garage                           |        |        |        |        |
| Leisure Time Activities          |        |        |        |        |
| Recreation/Seniors               | 4.50   | 4.50   | 4.50   | 4.25   |
| Parks                            |        |        |        |        |
| Community Environment            |        |        |        |        |
| Service                          | 9.00   | 9.00   | 9.00   | 10.00  |
| Development/Planning             |        |        |        |        |
| Engineering                      |        |        |        |        |
| <b>Business-Type Activities</b>  |        |        |        |        |
| Utilities                        |        |        |        |        |
| Water                            | 14.00  | 13.00  | 13.00  | 14.50  |
| Sewer                            | 6.00   | 6.00   | 6.00   | 16.00  |
| Solid Waste                      | 10.00  | 10.00  | 10.00  | 0.00   |
| Storm Water                      | 0.00   | 0.00   | 0.00   | 0.00   |
| <i>Total Employees</i>           | 228.25 | 225.00 | 226.25 | 227.25 |

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

Source: City Finance Director's Office

*CITY OF XENIA, OHIO*

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| <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 18.50         | 15.00         | 15.00         | 15.50         | 15.00         | 16.00         |
| 30.50         | 32.00         | 32.00         | 30.75         | 30.50         | 31.00         |
| 6.00          | 5.00          | 5.00          | 5.00          | 4.50          | 4.50          |
|               | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| 70.00         | 67.00         | 65.00         | 65.00         | 68.50         | 71.00         |
| 42.00         | 41.00         | 41.00         | 43.00         | 44.00         | 44.00         |
| 16.50         | 9.00          | 6.00          | 6.00          | 6.00          | 6.00          |
|               | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| 4.50          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
|               | 1.50          | 1.50          | 1.50          | 1.50          | 2.00          |
| 8.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
|               | 4.00          | 4.00          | 6.00          | 6.00          | 6.00          |
|               | 4.00          | 4.00          | 3.00          | 4.00          | 4.00          |
| 15.50         | 19.00         | 18.00         | 18.00         | 17.00         | 16.00         |
| 16.00         | 15.00         | 15.00         | 15.00         | 16.00         | 16.00         |
| 0.00          | 0.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| 0.00          | 0.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| <u>227.50</u> | <u>216.50</u> | <u>213.50</u> | <u>215.75</u> | <u>220.00</u> | <u>223.50</u> |

**CITY OF XENIA, OHIO**

*Operating Indicators by Function  
Last Ten Years*

|  | 2004   | 2005   | 2006   | 2007   |
|--|--------|--------|--------|--------|
| <b>Governmental Activities</b>                       |        |        |        |        |
| General Government                                   |        |        |        |        |
| Court  |        |        |        |        |
| Number of Probation Cases                            | 639    | 619    | 561    | 802    |
| Number of Traffic Cases                              | 11,289 | 12,095 | 10,445 | 9,624  |
| Number of Criminal Cases                             |        |        |        |        |
| Number of Civil Cases                                |        |        |        |        |
| Licenses and Permits                                 |        |        |        |        |
| Number of Residential Constructions                  | 116    | 104    | 61     | 123    |
| Number of Commercial Constructions                   | 13     | 20     | 5      | 4      |
| Security of Persons and Property                     |        |        |        |        |
| Police   |        |        |        |        |
| Number of Citations Issued                           | 3,064  | 2,869  | 2,430  | 2,974  |
| Number of Arrests                                    | 1,841  | 1,927  | 2,022  | 1,034  |
| Number of Accidents                                  | 621    | 597    | 567    | 610    |
| Fire   |        |        |        |        |
| Number of Fire Calls                                 | 813    | 818    | 889    | 984    |
| Number of EMS Runs                                   | 3,532  | 3,803  | 3,715  | 3,437  |
| Number of Inspections                                | 39     | 205    | 135    | 255    |
| Transportation                                       |        |        |        |        |
| Street   |        |        |        |        |
| Number of Streets Resurfaced                         | 7      | 11     | 7      | 4      |
| Leisure Time Activities                              |        |        |        |        |
| Recreation/Seniors                                   |        |        |        |        |
| Number of Programs Offered                           | 8      | 9      | 9      | 8      |
| Number of Shelter Rentals                            | N/A    | N/A    | 178    | 130    |
| <b>Business-Type Activities</b>                      |        |        |        |        |
| Water  |        |        |        |        |
| Number of Metered Accounts***                        | 10,346 | 10,380 | 11,235 | 10,720 |
| Daily Average Consumption (millions of gallons)      | 3.9    | 3.9    | 4.4    | 3.6    |
| Peak Daily Consumption (millions of gallons)         | 8.0    | 8.0    | 8.0    | 8.0    |
| Sewer  |        |        |        |        |
| Number of Metered Accounts***                        | 10,184 | 10,436 | 11,103 | 10,692 |
| Daily Average Sewage Treatment (millions of gallons) | 4.9    | 4.9    | 4.9    | 4.8    |
| Solid Waste *  |        |        |        |        |
| Number of Customers Served                           | N/A    | 9,232  | 9,444  | 9,760  |
| Stormwater **  |        |        |        |        |
| Number of Customers Served                           | N/A    | N/A    | N/A    | 10,038 |

Source: City Finance Director's Office

\* Billing for Solid Waste started in 2005

\*\* Billing for Stormwater started in 2007

\*\*\* Prior to 2012 accounts include those properties that were vacant. Starting in 2012 the statistics reflect active accounts.

N/A - Not Available



**CITY OF XENIA, OHIO**

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| 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
|--------|--------|--------|--------|--------|--------|
| 796    | 795    | 803    | 738    | 850    | 775    |
| 12,234 | 9,579  | 8,984  | 9,409  | 10,172 | 8,924  |
| 4,461  | 3,906  | 3,904  | 3,887  | 3,890  | 3,535  |
| 2,175  | 1,645  | 1,619  | 1,811  | 1,402  | 1,059  |
| 91     | 26     | 23     | 3      | 151    | 156    |
| 4      | 2      | 1      | 6      | 123    | 189    |
| 4,347  | 2,078  | 1,818  | 3,420  | 4,174  | 4,071  |
| 2,985  | 2,240  | 2,068  | 2,381  | 1,879  | 1,743  |
| 535    | 609    | 659    | 553    | 876    | 434    |
| 1,210  | 875    | 819    | 957    | 943    | 1,077  |
| 3,752  | 3,543  | 3,470  | 3,676  | 3,781  | 4,110  |
| 141    | 185    | 72     | 345    | 344    | 370    |
| 9      | 7      | 0      | 28     | 17     | 21     |
| 8      | 5      | 14     | 14     | 14     | 13     |
| 132    | 145    | 166    | 68     | 65     | 60     |
| 10,733 | 10,782 | 10,800 | 10,808 | 10,185 | 10,187 |
| 3.2    | 3.2    | 3.1    | 2.5    | 2.5    | 2.4    |
| 8.0    | 8.0    | 8.0    | 8.0    | 9.0    | 4.3    |
| 10,635 | 10,664 | 10,680 | 10,690 | 10,065 | 10,072 |
| 5.0    | 4.1    | 4.0    | 5.4    | 3.8    | 4.0    |
| 9,512  | 9,496  | 9,543  | 9,495  | 9,445  | 9,432  |
| 9,992  | 10,041 | 10,024 | 10,056 | 9,445  | 9,454  |

**CITY OF XENIA, OHIO**

*Capital Asset Statistics by Function  
Last Ten Years*

|   | 2004      | 2005      | 2006      | 2007      |
|---|-----------|-----------|-----------|-----------|
| <b>Governmental Activities</b>          |           |           |           |           |
| General Government                      |           |           |           |           |
| Land (acres)                            | 7,680     | 7,680     | 7,680     | 7,680     |
| Public Safety                           |           |           |           |           |
| Police                                  |           |           |           |           |
| Stations                                | 1         | 1         | 1         | 1         |
| Vehicles                                | N/A       | N/A       | 27        | 24        |
| Fire                                    |           |           |           |           |
| Stations                                | 2         | 2         | 2         | 2         |
| Vehicles                                | N/A       | N/A       | 11        | 11        |
| Highways and Streets                    |           |           |           |           |
| Streets (lane miles)                    | 115       | 108       | 135       | 135       |
| Street Lights                           | 1,784     | 1,784     | 1,784     | 1,826     |
| Traffic Signals                         | 37        | 38        | 40        | 32        |
| Recreation                              |           |           |           |           |
| Land (acres)                            | 122       | 133       | 133       | 122       |
| Buildings/Shelters                      | 16        | 18        | 18        | 17        |
| Parks                                   | 11        | 15        | 15        | 15        |
| Playgrounds                             | 11        | 15        | 15        | 12        |
| Tennis Courts                           | 1         | 1         | 1         | 1         |
| Baseball/Softball Diamonds              | 6         | 6         | 6         | 7         |
| Soccer Fields                           | 2         | 2         | 2         | 2         |
| <b>Business-Type Activities</b>         |           |           |           |           |
| Utilities                               |           |           |           |           |
| Water                                   |           |           |           |           |
| Waterlines (Miles)                      | 141       | 141       | 141       | 140       |
| Pump Stations                           | 1         | 1         | 1         | 1         |
| Average Daily Consumption               | 3.9 (mgd) | 3.7 (mgd) | 4.4 (mgd) | 3.6 (mgd) |
| Storage Capacity (thousands of gallons) | 8 (mgd)   | 8 (mgd)   | 8 (mgd)   | 8 (mgd)   |
| Sewer                                   |           |           |           |           |
| Sewerlines (Miles)                      | 146       | 146       | 146       | 145       |

Source: City Finance Director's Office

**CITY OF XENIA, OHIO**

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| 2008      | 2009      | 2010      | 2011      | 2012      | 2013      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 7,680     | 7,680     | 7,680     | 7,680     | 7,677     | 7,677     |
| 1         | 1         | 1         | 1         | 1         | 1         |
| 28        | 30        | 22        | 22        | 23        | 28        |
| 2         | 2         | 2         | 2         | 2         | 2         |
| 12        | 12        | 11        | 11        | 13        | 14        |
| 135       | 219       | 219       | 219       | 219       | 219       |
| 1,961     | 1,961     | 2,124     | 2,134     | 2,134     | 2,145     |
| 38        | 38        | 40        | 40        | 40        | 40        |
| 122       | 122       | 120       | 120       | 117       | 117       |
| 20        | 20        | 12        | 12        | 11        | 11        |
| 15        | 15        | 14        | 14        | 13        | 13        |
| 12        | 12        | 13        | 13        | 11        | 11        |
| 0         | 0         | 0         | 0         | 0         | 0         |
| 1         | 1         | 3         | 3         | 3         | 3         |
| 2         | 2         | 0         | 0         | 0         | 0         |
| 140       | 140       | 140       | 142       | 142       | 142       |
| 1         | 1         | 1         | 1         | 1         | 1         |
| 3.2 (mgd) | 3.2 (mgd) | 3.1 (mgd) | 2.5 (mgd) | 2.5 (mgd) | 2.4 (mgd) |
| 8 (mgd)   | 8 (mgd)   | 8 (mgd)   | 8 (mgd)   | 9 (mgd)   | 9 (mgd)   |
| 145       | 146       | 146       | 146       | 146       | 146       |

**CITY OF XENIA, OHIO**

*Capital Asset Value by Function  
Last Ten Years*

|                                 | 2004       | 2005       | 2006       | 2007       |
|---------------------------------|------------|------------|------------|------------|
| <b>Governmental Activities</b>  |            |            |            |            |
| General Government              |            |            |            |            |
| Land and Improvements           | \$259,130  | \$259,130  | \$259,130  | \$259,130  |
| Buildings                       | 2,534,605  | 2,534,605  | 2,536,475  | 2,512,829  |
| Equipment                       | 1,376,298  | 1,391,039  | 1,596,606  | 1,111,705  |
| Public Safety                   |            |            |            |            |
| Land and Improvements           | 78,238     | 76,022     | 90,537     | 77,019     |
| Buildings                       | 273,206    | 273,206    | 722,216    | 701,839    |
| Equipment                       | 4,901,393  | 4,868,979  | 5,705,316  | 4,054,259  |
| City Wide                       |            |            |            |            |
| Land and Improvements           | 15,810,220 | 16,092,702 | 16,302,572 | 16,524,117 |
| Buildings                       | 2,748,335  | 2,748,335  | 2,751,955  | 2,733,586  |
| Equipment                       | 8,932,617  | 9,206,205  | 9,699,307  | 2,103,334  |
| Infrastructure                  | 11,411,839 | 11,811,580 | 12,831,760 | 13,256,761 |
| Construction in Progress        | 28,500     | 854,397    | 385,027    | 120,618    |
| <b>Business-Type Activities</b> |            |            |            |            |
| Utilities                       |            |            |            |            |
| Water                           |            |            |            |            |
| Land and Improvements           | 133,036    | 134,606    | 134,606    | 177,094    |
| Buildings and Improvements      | 2,870,415  | 2,870,415  | 2,870,415  | 2,870,415  |
| Equipment                       | 12,655,820 | 13,016,872 | 13,687,880 | 13,677,245 |
| Construction in Progress        | 0          | 112,538    | 71,499     | 1,185,632  |
| Sewer                           |            |            |            |            |
| Land and Improvements           | 483,946    | 483,946    | 483,946    | 511,522    |
| Buildings and Improvements      | 5,276,700  | 5,282,350  | 5,282,350  | 5,265,451  |
| Equipment                       | 22,762,638 | 23,228,559 | 23,685,875 | 23,764,397 |
| Construction in Progress        | 226,155    | 0          | 28,364     | 805,505    |
| Sanitation                      |            |            |            |            |
| Land and Improvements           | 4,741      | 2,691      | 2,691      | 0          |
| Buildings and Improvements      | 40,108     | 40,108     | 40,108     | 40,108     |
| Equipment                       | 741,757    | 741,757    | 744,443    | 761,167    |
| Construction in Progress        | 0          | 0          | 14,182     | 6,560      |
| Stormwater                      |            |            |            |            |
| Land and Improvements           | N/A        | N/A        | N/A        | 0          |
| Buildings and Improvements      | N/A        | N/A        | N/A        | 0          |
| Equipment                       | N/A        | N/A        | N/A        | 7,767,217  |
| Construction in Progress        | N/A        | N/A        | N/A        | 0          |

**CITY OF XENIA, OHIO**

| 2008       | 2009       | 2010       | 2011       | 2012       | 2013       |
|------------|------------|------------|------------|------------|------------|
| \$259,130  | \$259,130  | \$259,130  | \$259,130  | \$259,130  | \$305,264  |
| 2,512,829  | 2,793,757  | 2,804,149  | 2,812,649  | 2,861,096  | 2,861,096  |
| 1,118,943  | 1,240,923  | 1,260,554  | 1,274,600  | 1,420,954  | 1,574,991  |
| 77,019     | 77,019     | 77,019     | 116,875    | 116,874    | 116,875    |
| 701,839    | 956,607    | 1,233,558  | 1,283,652  | 1,304,735  | 1,393,816  |
| 4,527,109  | 5,212,833  | 4,789,357  | 4,989,302  | 5,145,704  | 5,833,840  |
| 16,947,652 | 17,147,703 | 17,228,303 | 18,079,476 | 18,072,603 | 18,788,576 |
| 2,733,586  | 2,835,423  | 2,703,757  | 2,719,757  | 3,729,073  | 3,729,074  |
| 2,194,792  | 2,394,682  | 2,180,065  | 2,255,954  | 2,376,452  | 2,485,501  |
| 13,819,509 | 15,065,947 | 15,247,920 | 15,763,408 | 16,285,036 | 16,743,933 |
| 850,778    | 273,106    | 685,664    | 1,625,763  | 752,822    | 1,583,156  |
| 177,094    | 214,794    | 214,794    | 214,794    | 214,794    | 214,794    |
| 2,870,415  | 2,870,415  | 2,900,634  | 2,900,633  | 2,900,633  | 2,966,328  |
| 15,380,109 | 16,275,077 | 16,137,407 | 16,522,904 | 17,969,700 | 18,269,692 |
| 568,770    | 10,102     | 239,542    | 838,962    | 522,622    | 622,647    |
| 563,802    | 563,802    | 563,802    | 580,303    | 580,302    | 626,990    |
| 5,265,451  | 5,294,792  | 5,353,000  | 6,857,781  | 6,857,782  | 7,427,086  |
| 25,290,062 | 25,469,564 | 25,477,355 | 26,566,972 | 26,683,388 | 26,875,711 |
| 0          | 212,444    | 2,351,012  | 124,916    | 1,634,109  | 307,309    |
| 0          | 0          | 0          | 0          | 0          | 213,688    |
| 105,703    | 105,703    | 93,730     | 93,730     | 93,730     | 93,730     |
| 761,167    | 778,320    | 778,320    | 784,865    | 976,672    | 992,472    |
| 0          | 0          | 0          | 0          | 152,072    | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          |
| 8,740,317  | 8,740,317  | 8,801,902  | 8,801,902  | 8,932,711  | 9,095,673  |
| 0          | 0          | 0          | 0          | 2,340      | 0          |

(Continued)

**CITY OF XENIA, OHIO**

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*Capital Asset Value by Function  
Last Ten Years*

|                            | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|----------------------------|-------------|-------------|-------------|-------------|
| Other Enterprise           |             |             |             |             |
| Land and Improvements      | 181,352     | 181,352     | 181,352     | 154,681     |
| Buildings and Improvements | 101,837     | 101,837     | 101,837     | 101,837     |
| Equipment                  | 46,784      | 49,052      | 74,052      | 54,430      |
| Construction in Progress   | 0           | 0           | 348,457     | 89,285      |

Source: City Finance Director's Office

*CITY OF XENIA, OHIO*

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| <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 154,681     | 154,681     | 154,681     | 263,951     | 263,951     | 263,951     |
| 101,837     | 0           | 0           | 0           | 0           | 0           |
| 54,430      | 0           | 20,081      | 20,081      | 20,081      | 20,081      |
| 42,470      | 0           | 56,301      | 0           | 57,261      | 0           |







Dave Yost • Auditor of State



**CITY OF XENIA  
GREENE COUNTY**

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**CITY OF XENIA  
GREENE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| <b>FEDERAL GRANTOR<br/>Pass Through Grantor<br/>Program / Cluster Title</b>                | <b>Pass Through<br/>Entity<br/>Number</b> | <b>Federal<br/>CFDA<br/>Number</b> | <b>Expenditures</b> |
|--|---|------------------------------------|---------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                                    |   |                                    |                     |
| <i>Passed Through Ohio Department of Development</i>                                       |   |                                    |                     |
| Community Development Block Grants/State's<br>Program and Non-Entitlement Grants in Hawaii | A-F-11-2ER-1                              | 14.228                             | \$60,273            |
|  | A-F-12-2ER-1                              |                                    | 29,928              |
|  | A-T-09-2ER-1                              |                                    | 70,180              |
|  | A-D-11-2ER-1                              |                                    | 31,859              |
|  | N/A                                       |                                    | 4,205               |
| Total U.S. Department of Housing and Urban Development                                     |   |                                    | <u>196,445</u>      |
| <b>U.S. DEPARTMENT OF JUSTICE</b>  |   |                                    |                     |
| <i>Direct Funding</i>  |   |                                    |                     |
| Equitable Sharing Program  | N/A                                       | 16.922                             | 115,223             |
| <i>Passed Through Ohio Attorney General</i>  |   |                                    |                     |
| Crime Victim Assistance  | 2014VAGENE538                             | 16.575                             | 16,658              |
|  | 2013VAGENE538                             |                                    | 42,776              |
| Total Crime Victim Assistance  |   |                                    | <u>59,434</u>       |
| <i>Passed Through Ohio Office of Criminal Justice Services</i>                             |   |                                    |                     |
| Violence Against Women Formula Grants  | 2012-WF-VA2-8308                          | 16.588                             | 68,295              |
| Total U.S. Department of Justice   |   |                                    | <u>242,952</u>      |
| <b>U.S. DEPARTMENT OF TRANSPORTATION</b>   |   |                                    |                     |
| <i>Passed Through Ohio Department of Transportation</i>                                    |   |                                    |                     |
| Highway Planning and Construction  | 87368                                     | 20.205                             | 46,849              |
| Total U.S. Department of Transportation  |   |                                    | <u>46,849</u>       |
| <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>  |   |                                    |                     |
| <i>Direct Funding</i>  |   |                                    |                     |
| Assistance to Firefighters Grant   | EMW-2010-FH-01063                         | 97.044                             | 206,368             |
|  | EMC-2012-FO-05250                         |                                    | 53,467              |
| Total Assistance to Firefighters Grant   |   |                                    | <u>259,835</u>      |
| <i>Passed Through Ohio Department of Public Safety</i>                                     |   |                                    |                     |
| Pre-Disaster Mitigation  | FEMA-PDM-C                                | 97.047                             | 11,100              |
| Total U.S. Department of Homeland Security   |   |                                    | <u>270,935</u>      |
| Total Federal Awards Expenditures  |   |                                    | <u>\$757,181</u>    |

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

**CITY OF XENIA  
GREENE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – COMINGLING OF FUNDS**

The City commingles cash receipts from the U.S. Department of Justice, U.S. Department of Transportation, and U.S. Department of Homeland Security with similar State grants. When reporting expenditures on this Schedule, the City reports federal expenditures as a percentage of total expenditures using the percent of grant monies to be provided by federal sources for each grant.

**NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. The Schedule reports administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2013 is as follows:

|   |                 |
|---|-----------------|
| Beginning loans receivable balance as of January 1, 2013                | \$30,868        |
| Loans made  |                 |
| Loan principal repaid   |                 |
| Ending loans receivable balance as of December 31, 2013                 | <u>\$30,868</u> |
| Cash balance on hand in the revolving loan fund as of December 31, 2013 | \$124,371       |
| Administrative costs expended during 2013                               | \$4,205         |

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2013, the City estimates \$30,868 to be uncollectable. In accordance with the grant agreement, \$7,718 of the loan receivable balance was written off during fiscal year 2013.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

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

City of Xenia  
Greene County  
101 North Detroit Street  
Xenia, Ohio 45385

To the Mayor and the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Xenia, Greene County, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 7, 2014, wherein we noted that the City adopted provisions of Government Accounting Standards Board Statement Number 65 and the January 1, 2013 net position was restated.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2013-001 and 2013-002 described in the accompanying schedule of findings to be material weakness.

***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, opining 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*.

***Entity's Response to Findings***

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 7, 2014





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

City of Xenia  
Greene County  
101 North Detroit Street  
Xenia, Ohio 45385

To the Council:

### ***Report on Compliance for the Major Federal Program***

We have audited the City of Xenia's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

### ***Management's Responsibility***

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the City of Xenia complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

***Report on Internal Control Over Compliance***

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133***

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 City of Xenia (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 7, 2014. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 65* during the year and restated January 1, 2013 net position. We conducted our audit to opine on the City's basic financial statements. The accompanying federal awards expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements.

We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

July 7, 2014

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**CITY OF XENIA  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2013**

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

|                     |  |  |
|---------------------|--|--|
| <i>(d)(1)(i)</i>    | Type of Financial Statement Opinion  | Unmodified                                       |
| <i>(d)(1)(ii)</i>   | Were there any material control weaknesses reported at the financial statement level (GAGAS)?                  | Yes  |
| <i>(d)(1)(ii)</i>   | Were there any 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 significant deficiencies in internal control reported for major federal programs?               | No   |
| <i>(d)(1)(v)</i>    | Type of Major Programs' Compliance Opinion   | Unmodified                                       |
| <i>(d)(1)(vi)</i>   | Are there any reportable findings under § .510(a)?   | No   |
| <i>(d)(1)(vii)</i>  | Major Programs (list):   | Assistance to Firefighters Grant (CFDA # 97.044) |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A/B Programs  | Type A: > \$ 300,000<br>Type B: all others       |
| <i>(d)(1)(ix)</i>   | Low Risk Auditee?  | Low  |

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

**FINDING NUMBER 2013-001**

**MATERIAL WEAKNESS**

The City's 2013 financial statements contained various errors. The following errors were identified as material and resulted in audit adjustments which are reflected within the accompanying financial statements:

1. Miscellaneous revenue was overstated by \$250,708 and tax revenue was understated by the same amount in the general fund.

**FINDING NUMBER 2013-001  
(Continued)**

2. The City received various reimbursement basis grants during 2013. Amounts spent in excess of total receipts were reported as grants receivable on the balance sheet and statement of net position. The City recorded \$257,702 in grants revenue to the wrong account code in capital projects fund. This resulted in the City overstating grants receivable by \$257,702. Additionally, grant expenditures were understated by \$38,550 thus resulting in understatement of grants receivable by the same amount. The net effect of the above noted errors was overstatement of grants receivable for governmental activities and Capital Improvements Fund by \$219,152 on the statement of net position and balance sheet respectively. Capital Grants and Contributions - Economic Development and Assistance on statement of activities and Capital Improvement Fund's deferred inflow of resources, unavailable revenue – other on balance sheet were overstated by the same amount.

In addition there were other errors identified which are not material and not adjusted to the accompanying financial statements:

1. The City understated Net Investment in Capital Assets in Governmental Activities by \$245,000.
2. Cash flow from operating activities in the other enterprise fund statement of cash flows amounts understated cash received from customers by \$127,441, cash payment to employees were understated by \$7,447 and cash payments for goods and services were understated by \$119,994. There was no net impact on net cash used by operating activities.
3. The City presented other revenue as non-operating revenue on the statement of revenues, expenses and changes in fund net position. On the statement of Cash flow this revenue was presented as cash flow from operating activities. The City should be consistent in presentation of revenues and expenses between statement of revenues, expenses and changes in fund net position and the cash flow statement.
4. The City overstated final budgeted receipts by \$23,000 on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.
5. The City overstated final budgeted receipts by \$300,000 on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Police and Fire Fund.
6. Loans receivable and opening net position for other enterprise funds was overstated by \$18,063.
7. The City overstated Program Revenues: Charges for Services and understated General Revenues by \$44,241 in Governmental Activities.

Policies and procedures should be established and implemented to verify that financial transactions are posted to the correct account and line item. Additionally, the City should establish and implement policies and procedures to verify that all reporting requirements are properly incorporated in the financial statements. Failure to do so could result in material misstatements on the financial statements.

**Official's Response:**

The City strives to account for transactions appropriately, to comply with reporting requirements, and to present financial statements that are free of material misstatements. The City will evaluate its procedures for preparing financial statements and make efforts to improve the quality of those statements while also considering the cost of additional review and advisory services.

**FINDING NUMBER 2013-002**

**MATERIAL WEAKNESS**

Paragraph 11 of Governmental Accounting Standards Board (GASB) Statement No. 49 states when a government knows or reasonably believes that a site is polluted, the government should determine whether one or more components of a pollution remediation obligation are recognizable as a liability when any of the following events occurs:

- a. The government is compelled to take remediation action because pollution creates an imminent endangerment to public health or welfare or the environment, leaving it little or no discretion to avoid remediation action.
- b. The government is in violation of a pollution prevention-related permit or license, such as a Resource Conservation and Recovery Act (RCRA) permit or similar permits under state law.
- c. The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs.
- d. The government is named, or evidence indicates that it will be named, in a lawsuit to compel the government to participate in remediation.
- e. The government commences, or legally obligates itself to commence, cleanup activities or monitoring or operation and maintenance of the remediation effort. If these activities are voluntarily commenced and none of the other obligating events have occurred relative to the entire site, the amount recognized should be based on the portion of the remediation project that the government has initiated and is legally required to complete.

In 2011 the City obtained the Hooven and Allison property from its owner in order to complete pollution remediation on the property. The City's intention was to sell the land after pollution remediation was complete.

The estimated cost of the pollution remediation of \$2,746,076 was not recorded as a liability when the City legally obligated itself to commence cleanup activities in 2011. The financials were adjusted for this error. During 2013, the City paid \$1,492,181 toward the project. These costs were expensed in 2013; however they should have been recorded as a reduction of the pollution remediation liability. The financials were adjusted for this error. Additionally, the City did not record the land as an asset held for resale at its estimated fair value of \$230,821. The financials were not adjusted for this error.

The City should establish and implement policies and procedures to verify that all transactions are properly classified in their financial statements. Failure to do so could result in material misstatements on the financial statements.

**Official's Response:**

The City will properly classify pollution remediation liabilities, and land held for resale on future statements.

**CITY OF XENIA  
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2013**

| 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> |
|----------------|--|------------------|--|
| 2012-1         | Significant Deficiency – Controls Related to Financial Reporting | No               | See finding numbers 2013-001 and 2013-002  |





# Dave Yost • Auditor of State

**CITY OF XENIA**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 19, 2014**