

City of Chillicothe, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2018



Kristal Spetnagel

Chillicothe City Auditor

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CITY OF CHILLICOTHE, OHIO
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

| | |
|---------------------------------------|----|
| Transmittal Letter | 1 |
| GFOA Certificate of Achievement | 7 |
| Listing of Elected Officials..... | 8 |
| Listing of Appointed Officials..... | 9 |
| Organizational Chart..... | 10 |
| City Auditor's Staff..... | 11 |

FINANCIAL SECTION

| | |
|--|----|
| Independent Auditors' Report | 13 |
| Management's Discussion and Analysis | 16 |

Basic Financial Statements:

Government-Wide Financial Statements:

| | |
|---------------------------------|----|
| Statement of Net Position | 27 |
| Statement of Activities..... | 28 |

Fund Financial Statements:

| | |
|---|----|
| Balance Sheet - Governmental Funds | 30 |
| Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities | 31 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 32 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 33 |
| Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual (Budget Basis) | |
| General Fund | 34 |
| Street Construction Maintenance and Repair Fund | 35 |
| Bus Transit Fund | 36 |
| Statement of Fund Net Position - Proprietary Funds | 37 |
| Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds..... | 38 |
| Statement of Cash Flows - Proprietary Funds..... | 39 |
| Statement of Fiduciary Net Position - Fiduciary Funds | 41 |
| Notes to the Basic Financial Statements..... | 42 |

Required Supplementary Information:

| | |
|---|----|
| Schedule of the City's Proportionate Share of the Net Pension/OPEB Liability - OPERS | 97 |
| Schedule of the City's Proportionate Share of the Net Pension Liability - OP&F..... | 98 |
| Schedule of the City's Proportionate Share of the Net OPEB Liability - OP&F | 99 |

TABLE OF CONTENTS - Continued

Page

FINANCIAL SECTION - Continued

Required Supplementary Information (Continued):

| | |
|--|-----|
| Schedule of the City's Contributions - OPERS | 100 |
| Schedule of the City's Pension Contributions – OP&F..... | 102 |
| Schedule of the City's OPEB Contributions – OP&F | 104 |
| Notes to the Required Supplementary Information | 106 |

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

| | |
|--|-----|
| Description of Funds..... | 108 |
| Combining Balance Sheet - Nonmajor Governmental Funds | 112 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 113 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | 114 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds | 116 |
| Combining Balance Sheet - Nonmajor Capital Projects Funds..... | 118 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds | 119 |

Individual Fund Schedules of Revenues, Expenditures/Expenses and

Changes in Fund Balances/Equity - Budget and Actual (Budget Basis):

| | |
|---|-----|
| General Fund..... | 120 |
| Street Construction Maintenance & Repair Fund | 126 |
| Bus Transit Fund..... | 127 |
| State Highway Fund..... | 128 |
| Parks and Recreation Fund | 129 |
| HUD Fund..... | 130 |
| Grants Fund..... | 131 |
| Cablevision Fund | 132 |
| Law Enforcement Fund..... | 133 |
| Indigent Driver's Alcohol Treatment Fund..... | 134 |
| OMVI Enforcement and Education Fund | 135 |
| Mandatory Drug Fines Fund | 136 |
| Parking Fund..... | 137 |
| Police Pension Fund..... | 138 |
| Fire Pension Fund | 139 |
| Bond Retirement Fund | 140 |
| Capital Improvement Fund | 141 |
| Issue II Fund | 142 |
| Safety Levy Capital Fund | 143 |
| Parks and Recreation Capital Fund | 144 |
| Carlisle Hill Fund..... | 145 |
| Floodwall Fund | 146 |
| Income Tax Fund | 147 |
| Landfill Closure Fund | 148 |
| Streetscape Fund | 149 |
| Unclaimed Monies Fund..... | 150 |
| Description of Proprietary Funds | 151 |
| Water Fund..... | 152 |
| Sewer Fund | 153 |
| Internal Service Fund..... | 154 |

TABLE OF CONTENTS - Continued

Page

Combining Statements and Individual Fund Schedules (Continues):

| | |
|---|-----|
| Description of Agency Funds | 155 |
| Statement of Changes in Assets and Liabilities - Agency Funds | 156 |

STATISTICAL SECTION

| | |
|--|-----|
| Statistical Table Description | 157 |
| Net Position by Component, Last Ten Years, (Accrual Basis of Accounting)..... | 158 |
| Changes in Net Position, Last Ten Years (Accrual Basis of Accounting) | 159 |
| Fund Balances, Governmental Funds, Last Ten Years (Modified Accrual Basis of Accounting) | 162 |
| Changes in Fund Balances, Governmental Funds, Last Ten Years (Modified Accrual Basis of Accounting) | 163 |
| Assessed Valuation and Estimated Actual Values of Taxable Property, Last Ten Years | 164 |
| Property Tax Rates - Direct and Overlapping Governments, Last Ten Years | 165 |
| Property Tax Levies and Collections, Last Ten Years | 166 |
| Principal Taxpayers - Real Estate and PU-PP Tax, 2018 and 2009 | 167 |
| Income Tax Revenue Base and Collections, Last Ten Years | 168 |
| Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita, Last Ten Years..... | 169 |
| Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita, Last Ten Years..... | 170 |
| Computation of Direct and Overlapping Governmental Activities Debt | 171 |
| Legal Debt Margin, Last Ten Years | 172 |
| Pledged Revenue Coverage, Water System Mortgage Revenue Bonds, Last Ten Years | 173 |
| Demographic and Economic Statistics, Last Ten Years..... | 174 |
| Principal Employers, Current Year and Nine Years Ago..... | 175 |
| Capital Assets Statistics by Function Program, Last Ten Years..... | 176 |
| Full-Time Equivalent City Government Employees by Function Program, Last Ten Years..... | 177 |
| Operating Indicators by Function Program, Last Ten Years | 178 |

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CHILLICOTHE
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL
City Auditor

June 26, 2019

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

FROM: City Auditor Kristal Spetnagel and Staff

The Auditor's office is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Chillicothe for the year ended December 31, 2018. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2018. It is intended to provide all pertinent and necessary financial information to the Citizens of Chillicothe.

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

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

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

Audit

The 2018 basic financial statements were audited by Millhuff-Stang C.P.A., Inc. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls, and tests of transactions. The Independent Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

In accordance with the Governmental Accounting Standards Board (GASB) Statement 14 as amended by GASB Statement No. 39 and GASB Statement No. 61, the following is a brief definition of the reporting entity. This report includes all funds, agencies, boards, and commissions for which the City is financially accountable. In considering that responsibility the City must determine whether an entity is fiscally independent of the City and whether it has the ability to significantly influence operations, select the governing authority, designate management, and maintain accountability over fiscal matters of the entity. The reporting entity is discussed in more detail in Note 1 of the Notes to the Basic Financial Statements.

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35, and 50 approximately 45 miles south of Columbus, Ohio, Chillicothe covers 9.7 square miles and has approximately 21,901 citizens according to the 2018 US Census Bureau estimates. The City has thirteen public parks consisting of 225 acres, six public schools, one parochial school, one charter school, a branch of Ohio University, and two public libraries.

The City has operated under the Mayor - Council form of Government since 1965 and functions as such under the Ohio Revised Code statutes of law. The Mayor is elected to four-year terms and serves as the Chief Executive and Administrative Officer of the City. The Mayor is charged with enforcing the laws of Ohio and all City ordinances, and appoints and removes all heads of departments except other elected officials and their employees. The Mayor has the authority to veto any legislation passed by City Council. Such veto may be overturned by a two-thirds vote of City Council.

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

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

The Treasurer, also elected to four-year terms, and serves as a check and balance to the City Auditor.

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

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

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

A complete list of elected officials and department heads, along with an organizational chart is included at the end of this section.

The City employs approximately 300 people, both full-time and permanent part-time, to serve the citizens of Chillicothe in the various departments described as follows: Public Safety (Police, Fire, and School Patrol), Recreation (Parks and Recreation), Utilities (Water, Sewer, and Sanitation), Transportation (Bus System), Community Environment (Planning, Zoning, and Economic Development), Streets (Engineering and Service Departments), General Government (Administrative services, including Municipal Court), and Finance (Auditor, Tax Auditor, and Treasurer).

Economic Outlook

Chillicothe and Ross County have a strong shared history as a regional commerce center and trade route. The original trade route through Chillicothe was the Scioto River, which has long since been replaced by the intersecting U.S. Routes 23 and 35. The intersecting highways make the area ideal for manufacturing, retail, and entertainment.

Employment in the Chillicothe and Ross County region is dominated by manufacturing (Pixelle Co., PACCAR Inc.), government (Ross County, City of Chillicothe, Ohio University Chillicothe), and healthcare (Adena Regional Medical Center). According to the Bureau of Labor Statistics the average unemployment rate for the Chillicothe Metropolitan area in 2018 was 6.6%.

Other developments of note:

Significant retail development is still ongoing throughout the City. During 2018, several new businesses were opened, such as Harbor Freight, Rainbow Yoga and Hometown Hibachi. As the community continues to grow, industries such as Kenworth Truck Company and Adena Hospital are in the process of doing a lot of investing and construction upgrades.

Adena Hospital continues their \$70 million expansion plan to create a new orthopedic and robotics center as well as a 300-car parking deck. Kenworth broke ground on a 'world-class' expansion project, which will include a 120,000 square-foot, \$140 million paint facility. The new technology and expansion will increase paint capacity by 50%. The Chillicothe City School System has also completed the construction of two new elementary school that consolidated all elementary students in one community school building. The Fifty West Brewing Company, based in Cincinnati, has also announced that they are expanding their brewing operations adding to the downtown expansion. The new construction from these industries as well as continuing growth in the community will bring in additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

Long-Term Financial Planning

Chillicothe voters passed two independent income tax levies in May of 2015, both of which were for .02%. The first is dedicated to the City Street construction, maintenance, and repair while the other is dedicated to safety services. The overall Chillicothe City income tax increased from 1.6% to 2.0% effective January 1, 2016. The levy is aimed at paving the streets of Chillicothe and restoring the safety levy capital account to its full potential, allowing Police and Fire to catch up on needed capital improvements.

City Council passed ordinance 5-18 establishing a strategic plan that will be used to set priorities, focus energy and resources, strengthen operations, and ensure that the City is working toward common goals. The Strategic plan will offer direction and help make decisions on allocating its resources and funding to pursue capital projects or other development needs. It will also lay down a path to meet estimated future financial or capital needs to ensure a strong financial position in the future. This plan ensures City Council is committed to preserving and enhancing the quality of life, for our community by providing proactive leadership, efficient services, and fiscal accountability.

The City will also begin discussing the creation of a Budget Stabilization Fund to assist in stabilizing revenues during periods of economic recession or budget crisis. The fund would provide a safeguard to protect critical programs during an economic downturn and help the City maintain a balanced budget.

Relevant Financial Policies

The City formally adopted an investment policy by City Ordinance #100-96 which makes it the City Auditor's responsibility to invest all the City's funds in certificates of deposit, money markets, and Treasury Notes with local approved banks. These certificates of deposit range in length from 30 days to one year and are awarded on a bid basis to the institution having the best bid whenever an investment is to be made. The policy further encourages the City to take advantage of every opportunity to earn interest on other funds, including the float on outstanding checks and funds being held by bond trustees. Interest earned on all investments is designated to the General Fund by law. The only exception is for specifically designated trustee funds and borrowed funds for major projects such as those within the Water and Sewer funds.

In addition to its investment policy, the City has various other policies in place as well. For example, the City adopted a formal payroll policy by City Ordinance #75-08 and an identity theft protection policy by City Ordinance #27-09. The City also has a disaster recovery and business continuity plan which is updated annually and shared among management. These policies are designed to provide guidance and standards for financial decision-making and to promote consistency in matters such as budgeting, financial reporting, asset and debt management, and internal controls.

Budgetary Controls

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

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

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

Internal Controls

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chillicothe for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Chillicothe has now received a Certificate of Achievement for twenty-seven consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgement

This Comprehensive Annual Financial Report for the City of Chillicothe is the 28th for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand the operation of our City and its basic financial structure.

I would first like to thank all members of my staff who are listed on page 11 who spent many hours compiling and entering the data for this report.

I would also like to thank J.L. Uhrig & Associates, C.P.A. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein. I send my thanks also to Millhuff-Stang C.P.A., Inc. for their assistance and helpful service.

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

Respectfully yours,

A handwritten signature in blue ink that reads "Kristal Spetnagel". The signature is written in a cursive, flowing style.

Kristal M. Spetnagel,
City Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chillicothe
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO

**CITY OF CHILLICOTHE, OHIO
LISTING OF ELECTED OFFICIALS**

MAYOR

Luke Feeney
Term Expires 12-31-19

CITY COUNCIL

Bruce Arnold
President
Term Expires 12-31-19

Beth Neal
1st Ward Council
Term Expires 12-31-19

Lana Fairchild
3rd Ward Council
Term Expires 12-31-19

Joel Fleurima
5th Ward Council
Term Expires 12-31-19

Dustin Proehl
Council At Large
Term Expires 12-31-19

Aaron Hines
2nd Ward Council
Term Expires 12-31-19

Dave Tatman
4th Ward Council
Term Expires 12-31-19

Patricia Patrick
6th Ward Council
Term Expires 12-31-19

Ceil Corcoran
Council At Large
Term Expires 12-31-19

Jean Kerney
Council At Large
Term Expires 12-31-19

CITY AUDITOR

Kristal Spetnagel
Term Expires 12-31-21

CITY TREASURER

Jeremy Siberell
Term Expires 12-31-21

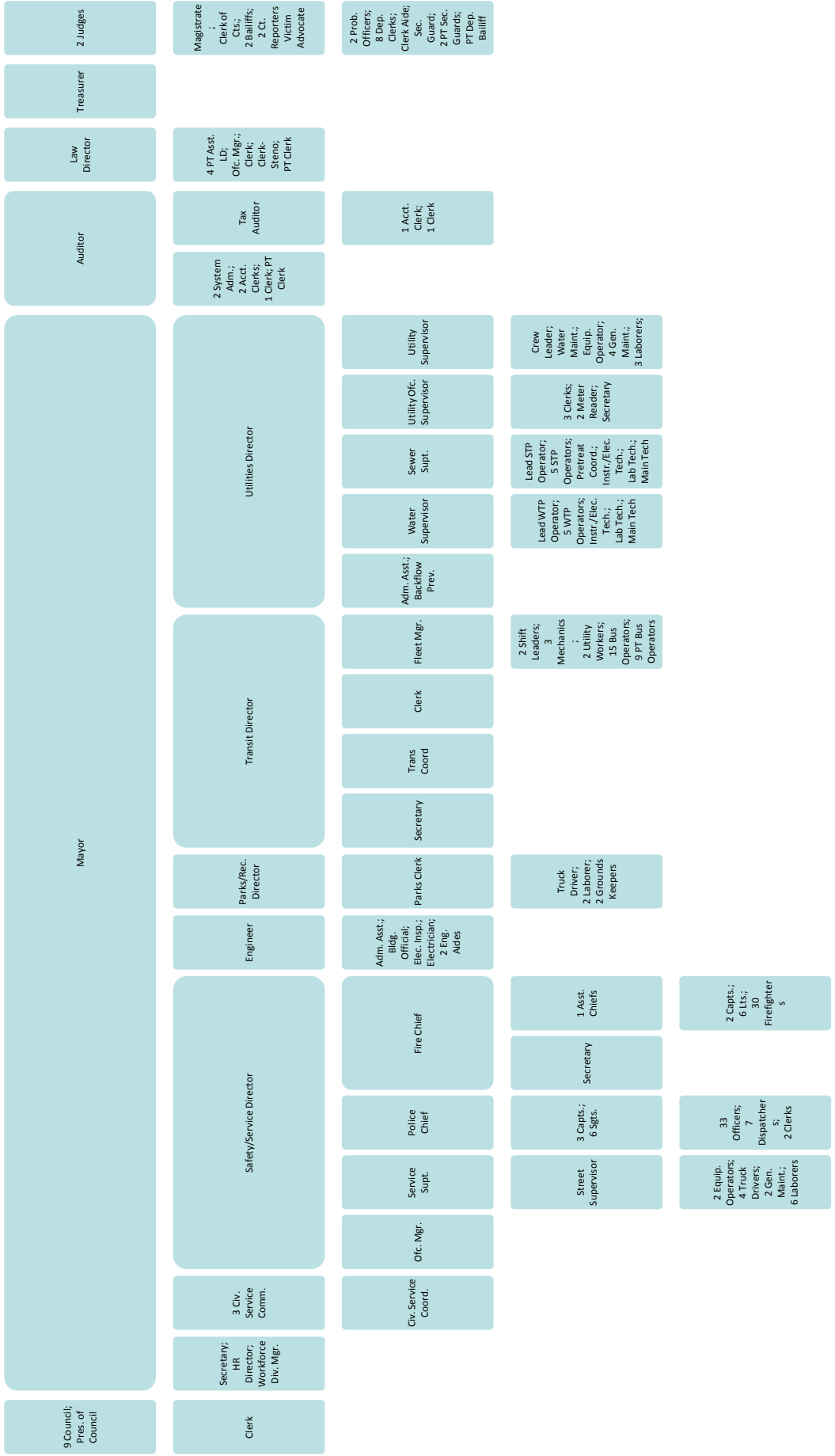
DIRECTOR OF LAW

Sherri Rutherford
Term Expires 12-31-19

**CITY OF CHILLICOTHE, OHIO
LISTING OF APPOINTED OFFICIALS**

| | |
|---------------------------|----------------|
| CITY ENGINEER | Dean Carroll |
| UTILITIES DIRECTOR | David Fishel |
| SAFETY/SERVICE DIRECTOR | Jeffrey Carmen |
| PARKS/RECREATION DIRECTOR | William Bonner |
| TRANSIT DIRECTOR | Donna Schinkle |
| CLERK OF COUNCIL | John Fosson |
| ASSISTANT LAW DIRECTOR | Ben Sigall |
| ASSISTANT LAW DIRECTOR | Michele Rout |
| ASSISTANT LAW DIRECTOR | Carrie Charles |
| ASSISTANT LAW DIRECTOR | Pamela Wells |

GENERAL PUBLIC



**CITY OF CHILLICOTHE, OHIO
CITY AUDITOR'S STAFF**

| | |
|--------------------------------|-------------------|
| CITY AUDITOR | Kristal Spetnagel |
| TAX AUDITOR | Julie Parker |
| SYSTEM ADMINISTRATOR | Heidi Leasure |
| ACCOUNTS PAYABLE ADMINISTRATOR | Amy Arnold |
| ACCOUNTING CLERK | Holly Cousins |
| ACCOUNTING CLERK | Lisa Downard |
| AUDITOR'S CLERK | Danielle Graves |

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Independent Auditor's Report

City Council
City of Chillicothe
35 South Paint Street
Chillicothe, Ohio 45601

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 the City of Chillicothe, Ross County (the City), as of and for the year ended December 31, 2018, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Street Construction Maintenance & Repair Fund, and Bus Transit Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 4 to the financial statements, during fiscal year 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The 2018 financial statements have been restated due to this implementation. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 26 and the net pension and OPEB liabilities and employer contributions schedules on pages 97 through 105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

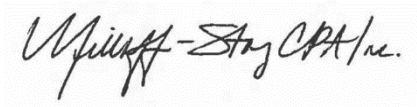
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

A handwritten signature in black ink that reads "Millhuff-Stang CPA/Inc." The signature is written in a cursive, flowing style.

Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

June 26, 2019

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of its financial activities for the year ended December 31, 2018. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

Financial Highlights

1. The City of Chillicothe's total net position decreased \$3,602,311; net position of the governmental activities decreased \$3,578,877; and net position of the business-type activities decreased \$23,434.
2. The General Fund balance of \$4,831,036 decreased \$479,083 or 9.02%, from the previous year's balance of \$5,310,119. This was primarily due to an increase in expenditures.

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of the City of Chillicothe's assets, liabilities, and deferred inflows/outflows of resources with the difference between these reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Chillicothe is improving or deteriorating.

The *Statement of Activities* presents information showing how the City of Chillicothe's net position changed during the recent fiscal year.

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

The government-wide financial statements can be found starting on page 27 of this report.

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

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

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

The City of Chillicothe maintains 25 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Street Construction Maintenance and Repair Fund and Bus Transit Fund, which are considered to be major funds. Data from the other 22 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds - The City maintains two different types of proprietary funds; enterprise funds and internal service funds. The City of Chillicothe uses enterprise funds to account for its water and sewer operations. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities* using the full accrual basis of accounting. The City of Chillicothe has two funds that are considered to be major funds, the Water and Sewer funds. Internal service funds are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses an internal service fund to account for the fuel purchasing program of the City. Because this service predominately benefits governmental rather than business-type functions, it has been included with governmental activities in the government-wide financial 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 statements because the resources from those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City of Chillicothe to provide services to our citizens, the view as a whole looks at all financial transactions. The *Statement of Net Position* and the *Statement of Activities* include all assets, liabilities and certain deferred inflows/outflows of resources using the full accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The City of Chillicothe as a Whole

The following two statements reflect the net position of the City of Chillicothe as a whole and are divided into the following categories: Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position (assets and deferred outflows minus liabilities and deferred inflows), Revenues, Expenses and Increase (Decrease) in net position.

Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | | Restated | | Restated | | Restated |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Assets: | | | | | | |
| Current and Other Assets | \$15,477,228 | \$16,208,014 | \$11,481,079 | \$10,272,856 | \$26,958,307 | \$26,480,870 |
| Capital Assets, Net | 34,520,637 | 35,324,640 | 34,633,787 | 35,605,043 | 69,154,424 | 70,929,683 |
| <i>Total Assets</i> | <u>49,997,865</u> | <u>51,532,654</u> | <u>46,114,866</u> | <u>45,877,899</u> | <u>96,112,731</u> | <u>97,410,553</u> |
| Deferred Outflows of Resources | <u>6,796,968</u> | <u>6,928,674</u> | <u>830,504</u> | <u>1,541,734</u> | <u>7,627,472</u> | <u>8,470,408</u> |
| Liabilities: | | | | | | |
| Current and Other Liabilities | 1,636,784 | 1,630,053 | 572,330 | 188,466 | 2,209,114 | 1,818,519 |
| <i>Long-Term Liabilities:</i> | | | | | | |
| Due Within One Year | 2,105,359 | 2,119,319 | 874,265 | 804,177 | 2,979,624 | 2,923,496 |
| <i>Due in More Than One Year:</i> | | | | | | |
| Net Pension Liability | 23,248,073 | 26,069,151 | 2,607,893 | 3,784,759 | 25,855,966 | 29,853,910 |
| Net OPEB Liability | 19,918,003 | 16,701,084 | 1,776,388 | 1,656,819 | 21,694,391 | 18,357,903 |
| Other Amounts | 8,405,072 | 9,318,304 | 1,448,513 | 2,026,256 | 9,853,585 | 11,344,560 |
| <i>Total Liabilities</i> | <u>55,313,291</u> | <u>55,837,911</u> | <u>7,279,389</u> | <u>8,460,477</u> | <u>62,592,680</u> | <u>64,298,388</u> |
| Deferred Inflows of Resources | <u>4,166,608</u> | <u>1,729,606</u> | <u>772,945</u> | <u>42,686</u> | <u>4,939,553</u> | <u>1,772,292</u> |
| Net Position: | | | | | | |
| Net Investments in | | | | | | |
| Capital Assets | 26,307,894 | 26,212,133 | 33,067,316 | 33,483,988 | 59,375,210 | 59,696,121 |
| <i>Restricted For:</i> | | | | | | |
| Debt Service | 83,515 | 0 | 4 | 4 | 83,519 | 4 |
| Capital Projects | 1,258,733 | 685,762 | 618,466 | 618,466 | 1,877,199 | 1,304,228 |
| Other Purposes | 4,838,360 | 6,047,010 | 0 | 0 | 4,838,360 | 6,047,010 |
| <i>Permanent Fund Purpose:</i> | | | | | | |
| Expendable | 2,340 | 2,325 | 0 | 0 | 2,340 | 2,325 |
| Nonexpendable | 1,000 | 1,000 | 0 | 0 | 1,000 | 1,000 |
| Unrestricted (Deficit) | <u>(35,176,908)</u> | <u>(32,054,419)</u> | <u>5,207,250</u> | <u>4,814,012</u> | <u>(29,969,658)</u> | <u>(27,240,407)</u> |
| Total Net Position | <u>(\$2,685,066)</u> | <u>\$893,811</u> | <u>\$38,893,036</u> | <u>\$38,916,470</u> | <u>\$36,207,970</u> | <u>\$39,810,281</u> |

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2017, from \$17,508,561 to \$893,811 for governmental activities and from \$40,549,829 to \$38,916,470 for business-type activities.

Current and other assets of governmental activities decreased by \$730,786 or 4.51% due to decreases in cash and cash equivalents held by the City which relates to an increase in revenue that exceeded the increase in expenses. The City also spent the last of the proceeds from bonds issued in previous years for paving projects. Capital assets of the governmental activities decreased \$804,003 or 2.28% due to depreciation expense exceeding acquisitions. Long-term liabilities decreased as a result of a decrease to the estimate for net pension liability and for principal payments on debt, which was partially offset by an increase in net OPEB liability estimates and new bond issuances.

Current and other assets of business-type activities increased by \$1,208,223 or 11.76% as a result of an increase in equity in pooled cash and cash equivalents. Capital assets decreased by \$971,256 or 2.73% due to depreciation for the year. Current and other liabilities of business-type activities increased by \$383,864 or 203.68% due to an increase in accounts payable. Long-term liabilities decreased as a result of a decrease to the estimate for net pension liability and was partially offset by an increase in net OPEB liability estimates.

The City of Chillicothe's total net position decreased from \$39,810,281 at the beginning of 2018 to \$36,207,970 at the end of the year, a change of \$3,602,311 or 9.05%. This decrease is the result of a decrease in the net position of the governmental activities of \$3,578,877 or 400.41% and a decrease in the net position of the business-type activities of \$23,434 or 0.06%.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for years 2018 and 2017.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|--------------------------------|-------------------|---------------------------------|---------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues | | | | | | |
| <i>Program Revenues:</i> | | | | | | |
| Charges for Services | \$9,537,327 | \$7,579,089 | \$7,851,725 | \$7,516,517 | \$17,389,052 | \$15,095,606 |
| Operating Grants and Contributions | 2,345,606 | 2,543,849 | 0 | 0 | 2,345,606 | 2,543,849 |
| Capital Grants and Contributions | 660,252 | 420,773 | 0 | 0 | 660,252 | 420,773 |
| <i>General Revenues:</i> | | | | | | |
| Property Taxes | 1,205,074 | 1,118,083 | 0 | 0 | 1,205,074 | 1,118,083 |
| Income and Other Taxes | 15,870,702 | 15,227,883 | 0 | 0 | 15,870,702 | 15,227,883 |
| Grants and Entitlements | 1,148,782 | 875,632 | 0 | 0 | 1,148,782 | 875,632 |
| Investment Earnings | 195,099 | 82,206 | 0 | 0 | 195,099 | 82,206 |
| Gain on Sale of Capital Assets | 0 | 0 | 30,900 | 0 | 30,900 | 0 |
| Other | 1,079,252 | 1,278,970 | 223,403 | 187,608 | 1,302,655 | 1,466,578 |
| <i>Total Revenues</i> | <u>32,042,094</u> | <u>29,126,485</u> | <u>8,106,028</u> | <u>7,704,125</u> | <u>40,148,122</u> | <u>36,830,610</u> |
| <i>Program Expenses</i> | | | | | | |
| General Government | 6,661,671 | 6,389,653 | 0 | 0 | 6,661,671 | 6,389,653 |
| <i>Security of Persons and Property:</i> | | | | | | |
| Police | 7,589,867 | 6,332,115 | 0 | 0 | 7,589,867 | 6,332,115 |
| Fire | 7,001,891 | 6,260,678 | 0 | 0 | 7,001,891 | 6,260,678 |
| Transportation | 10,737,859 | 8,703,914 | 0 | 0 | 10,737,859 | 8,703,914 |
| Leisure Time Activities | 1,176,712 | 1,097,183 | 0 | 0 | 1,176,712 | 1,097,183 |
| Community Environment | 354,503 | 430,023 | 0 | 0 | 354,503 | 430,023 |
| Basic Utility Services | 1,782,804 | 985,975 | 0 | 0 | 1,782,804 | 985,975 |
| Interest and Fiscal Charges | 287,022 | 303,446 | 0 | 0 | 287,022 | 303,446 |
| Issuance Costs | 0 | 61,187 | 0 | 0 | 0 | 61,187 |
| Water and Sewer | 0 | 0 | 8,158,104 | 7,909,562 | 8,158,104 | 7,909,562 |
| <i>Total Expenses</i> | <u>35,592,329</u> | <u>30,564,174</u> | <u>8,158,104</u> | <u>7,909,562</u> | <u>43,750,433</u> | <u>38,473,736</u> |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | (3,550,235) | (1,437,689) | (52,076) | (205,437) | (3,602,311) | (1,643,126) |
| Net Transfers In (Out) | <u>(28,642)</u> | <u>(35,579)</u> | <u>28,642</u> | <u>35,579</u> | <u>0</u> | <u>0</u> |
| Increase (Decrease) in Net Position | | | | | | |
| After Transfers | (3,578,877) | (1,473,268) | (23,434) | (169,858) | (3,602,311) | (1,643,126) |
| Net Position at Beginning of Year, Restated | <u>893,811</u> | <u>N/A</u> | <u>38,916,470</u> | <u>N/A</u> | <u>39,810,281</u> | <u>N/A</u> |
| Net Position at End of Year | <u>(\$2,685,066)</u> | <u>\$893,811</u> | <u>\$38,893,036</u> | <u>\$38,916,470</u> | <u>\$36,207,970</u> | <u>\$39,810,281</u> |

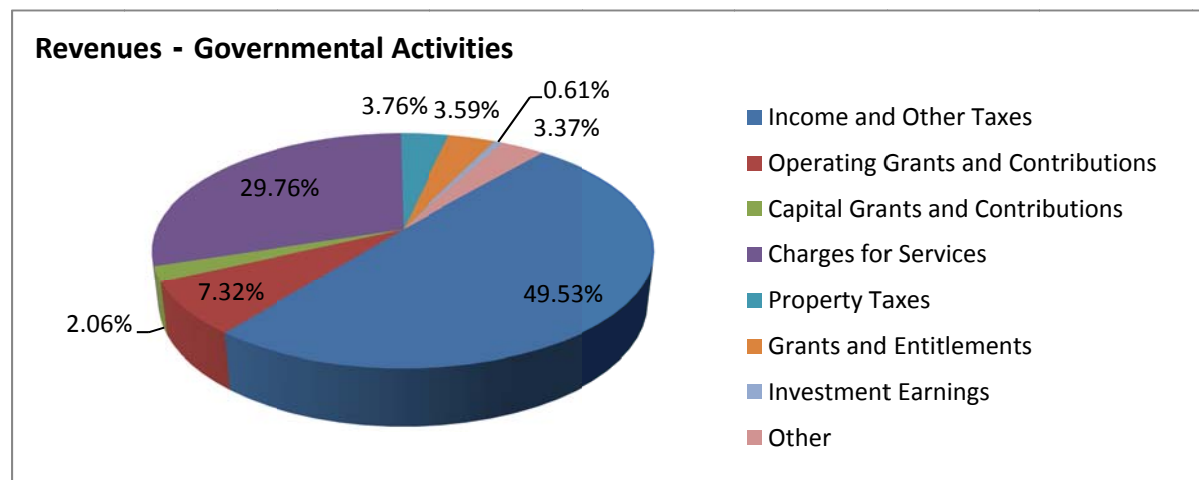
City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$109,794 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,786,105. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------|
| Total 2018 program expenses under GASB 75 | \$35,592,329 | \$8,158,104 | \$43,750,433 |
| OPEB expense under GASB 75 | (1,638,420) | (147,685) | (1,786,105) |
| 2018 contractually required contribution | 31,276 | 0 | 31,276 |
| Adjusted 2018 program expenses | 33,985,185 | 8,010,419 | 41,995,604 |
| Total 2017 program expenses under GASB 45 | 30,564,174 | 7,909,562 | 38,473,736 |
| Increase in program expenses not related to OPEB | \$3,421,011 | \$100,857 | \$3,521,868 |

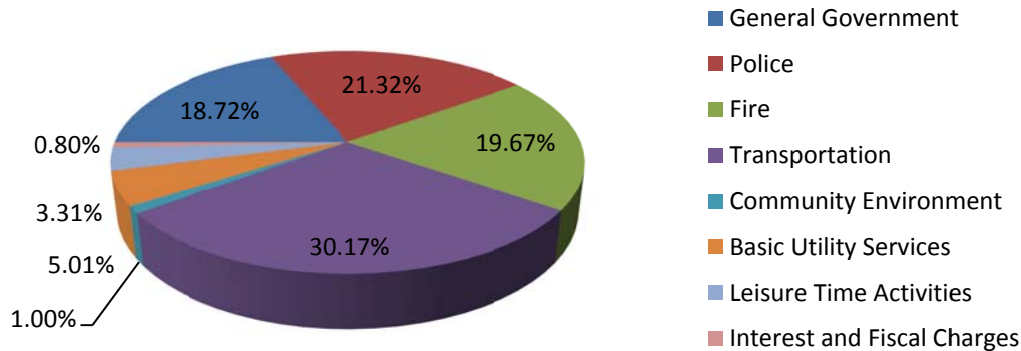
Governmental Activities

Governmental activities decreased the City of Chillicothe's net position by \$3,578,877. The City saw a significant increase in revenues, but expenses had a significant increase as well and still exceeded revenues for the year.



Of the \$32,042,094 in total revenues, income and other taxes account for 49.53%; charges for services of \$9,537,327 account for 29.76%; operating grants and contributions account for 7.32%; capital grants, unrestricted grants and entitlements, property taxes, investment earnings, and other revenue make up the remaining 13.39%. The income and other tax revenue for 2018 was \$15,870,702, which was an increase of \$642,819 or 4.22%.

Expenses - Governmental Activities



The largest functional expense for the City of Chillicothe was for security of persons and property, which includes the Police and Fire departments. General government and transportation functions had increases in expenses as a result of additional available funding from increases in the income tax revenue.

Business-Type Activities

The business-type activities of the City of Chillicothe, which include its water and sewer operations, decreased the net position by \$23,434. The decrease in net position is due to a slight increase in expenses for the year.

Financial Analysis of the City of Chillicothe's Funds

Governmental Funds

The focus of the City of Chillicothe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting. The General Fund is the chief operating fund of the City of Chillicothe. At the end of 2018, the total fund balance for the General Fund was \$4,831,036 of which \$4,256,839 or 88.11% was unassigned.

During the current year, the fund balance of the General Fund decreased by \$479,083. The decrease in the General Fund balance was primarily the result of an increase in expenditures.

At the end of 2018, the Street Fund had a fund balance of \$2,487,320, which is a decrease of \$801,983. This was a result of an increase in expenditures and operating transfers out for the year.

At the end of 2018, the Bus Transit Fund had a fund balance of \$756,887, which is a decrease of \$58,281. This was a result of a decrease in intergovernmental revenue and an increase in expenditures for the year.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Proprietary Funds

During the current year, the net position of the City of Chillicothe's Water Fund increased by \$25,077 or 0.11%. The increase in the Water Fund net position is due to revenues exceeding expenses, even though expenses increased during 2018.

During the current year, the net position of the Sewer Fund decreased by \$48,511 or 0.30%. The decrease in the Sewer Fund net position is the result of expenses exceeding revenues for the year.

General Fund Budgeting Highlights

The City of Chillicothe's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2018, the City of Chillicothe amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for an ordinance on the change. The City of Chillicothe does allow small budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$19,120,140 and the final budgeted revenue amount was \$19,557,268.

The largest difference between the General Fund's original budget and final budget was in local taxes, which increased \$355,282 or 2.88%. This was due to a increase in the estimated receipts for local taxes revenues.

The differences between the General Fund's original budget and final amended budget of expenditures amounted to a \$2,201,879 increase, which included a \$987,520 additional appropriation for basic utility services for the inclusion of the new recycling program.

The difference between the General Fund's final budget and actual for the general government expenditures was \$454,394 or 7.50%. This difference between budgeted and actual expenditures was primarily the result of lower than expected expenditures for materials and supplies and capital outlay in several departments.

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)

| | Governmental Activities | | Business-Type Activities | |
|--|-------------------------|---------------------|--------------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Land | \$6,864,490 | \$6,864,490 | \$1,889,017 | \$1,889,017 |
| Construction in Progress | 0 | 0 | 154,394 | 154,394 |
| Land Improvements | 102,264 | 120,245 | 0 | 520 |
| Buildings, Structures and Improvements | 9,601,095 | 10,006,186 | 1,976,312 | 2,139,972 |
| Plant and Facilities | 0 | 0 | 11,729,659 | 12,245,699 |
| Furniture, Fixture & Equipment | 3,637,105 | 3,262,405 | 1,049,127 | 796,575 |
| Infrastructure | 14,315,683 | 15,071,314 | 17,835,278 | 18,378,866 |
| Total | <u>\$34,520,637</u> | <u>\$35,324,640</u> | <u>\$34,633,787</u> | <u>\$35,605,043</u> |

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Total capital assets for governmental activities of the City of Chillicothe for the year 2018 were \$34,520,637 or \$804,003 less than in 2017. This decrease was due to the current year depreciation exceeding the current year acquisitions.

The decrease in capital assets for business-type activities of \$971,256 was due primarily to the current year depreciation. Additional information concerning capital assets can be found in Note 8 of the notes to the basic financial statements.

As of December 31, 2018, the City of Chillicothe had \$9,508,881 in bonds and loans outstanding.

OUTSTANDING DEBT AT DECEMBER 31

| | 2018 | 2017 |
|-------------------------------------|-------------|--------------|
| Governmental Activities | | |
| <i>General Obligation Bonds:</i> | | |
| Various Purpose | \$3,275,000 | \$3,575,000 |
| Garbage Trucks | 205,000 | 295,000 |
| Street Improvements | 3,760,000 | 4,225,000 |
| Squad/Leaf Blower | 106,052 | 157,369 |
| Police Cruisers/Squad | 472,829 | 288,453 |
| Street Sweeper | 140,000 | 175,000 |
| VCNB Squad Loan | 0 | 25,000 |
| Total Governmental Activities | 7,958,881 | 8,740,822 |
| Business-Type Activities | | |
| Sewer General Obligation Bonds | 675,000 | 795,000 |
| ARMC Water General Obligation Bonds | 875,000 | 1,300,000 |
| Total Business-Type Activities | 1,550,000 | 2,095,000 |
| Total | \$9,508,881 | \$10,835,822 |

The general obligation bonds issued for various purposes are comprised of (1) police and fire pension, (2) street improvements, (3) bus garage facility, (4) municipal court building improvements, and (5) safety vehicles.

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

Current Known Facts and Conditions

In November 2018, the Auditor of State released the City of Chillicothe from fiscal caution after spending six years in that category. The City has been working on updating financial policies, implemented new software and has worked diligently to improve all financial reporting.

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Chillicothe voters passed two independent income tax levies in May of 2015. Each levy was for 0.02%; one of which is dedicated to city street construction, maintenance, and repair while the other is dedicated to safety services. The overall Chillicothe City income tax increased from 1.6% to 2.0% effective January 1, 2016.

Since the passage of the street construction levy, the City has budgeted \$1 million per year to be spent on road projects. Since the passage of the Levy, the City has spent approximately \$4.8 million on street construction projects. This levy has allowed the City to appropriate funds to pave, maintain and repair roads throughout the City. In order to begin the paving projects, the City borrowed funds which will be paid off at the end of the tax levy, also creating a reserve for the continuation of projects in the future.

Significant retail development is still ongoing throughout the City. During 2018, several new businesses were opened, such as Harbor Freight, Rainbow Yoga and Hometown Hibachi. As the community continues to grow, industries such as Kenworth Truck Company and Adena Hospital are in the process of doing a lot of investing and construction upgrades.

Adena Hospital continues their \$70 million expansion plan to create a new orthopedic and robotics center as well as a 300-car parking deck. Kenworth broke ground on a 'world-class' expansion project, which will include a 120,000 square-foot, \$140 million paint facility. The new technology and expansion will increase paint capacity by 50%. The Chillicothe City School System has also completed the construction of two new elementary schools that consolidated all elementary students in one community school building. The Fifty West Brewing Company, based in Cincinnati, has also announced that they are expanding their brewing operations adding to the downtown expansion. The new construction from these industries as well as continuing growth in the community will bring in additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

Contacting the City's Financial Management

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

City of Chillicothe, Ohio
Statement of Net Position
December 31, 2018

| | Governmental Activities | Business-Type Activities | Total |
|--|-----------------------------|-----------------------------|----------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$8,545,605 | \$9,535,980 | \$18,081,585 |
| Cash and Cash Equivalents in Segregated Accounts | 75,297 | 0 | 75,297 |
| Investments | 1,000 | 0 | 1,000 |
| Materials and Supplies Inventory | 78,319 | 32,850 | 111,169 |
| Accounts Receivable | 713,824 | 1,159,866 | 1,873,690 |
| Intergovernmental Receivable | 1,603,293 | 0 | 1,603,293 |
| Prepaid Items | 504,639 | 133,913 | 638,552 |
| Income Taxes Receivable | 2,485,275 | 0 | 2,485,275 |
| Property Taxes Receivable | 1,263,270 | 0 | 1,263,270 |
| Other Taxes Receivable | 145,284 | 0 | 145,284 |
| Special Assessments Receivable | 61,422 | 0 | 61,422 |
| <i>Restricted Assets:</i> | | | |
| Equity in Pooled Cash and Cash Equivalents | 0 | 618,466 | 618,466 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 4 | 4 |
| Non-Depreciable Capital Assets | 6,864,490 | 2,043,411 | 8,907,901 |
| Depreciable Capital Assets, net | 27,656,147 | 32,590,376 | 60,246,523 |
| <i>Total Assets</i> | <u>49,997,865</u> | <u>46,114,866</u> | <u>96,112,731</u> |
| Deferred Outflows of Resources | <u>6,796,968</u> | <u>830,504</u> | <u>7,627,472</u> |
| Liabilities: | | | |
| Accounts Payable | 694,528 | 493,169 | 1,187,697 |
| Accrued Wages and Benefits | 185,416 | 34,076 | 219,492 |
| Contracts Payable | 436,858 | 5,000 | 441,858 |
| Intergovernmental Payable | 291,494 | 36,052 | 327,546 |
| Matured Compensated Absences | 1,296 | 0 | 1,296 |
| Accrued Interest Payable | 27,192 | 4,033 | 31,225 |
| <i>Long-Term Liabilities:</i> | | | |
| Due Within One Year | 2,105,359 | 874,265 | 2,979,624 |
| <i>Due in More Than One Year:</i> | | | |
| Net Pension Liability | 23,248,073 | 2,607,893 | 25,855,966 |
| Net OPEB Liability | 19,918,003 | 1,776,388 | 21,694,391 |
| Other Amounts Due in More Than One Year | 8,405,072 | 1,448,513 | 9,853,585 |
| <i>Total Liabilities</i> | <u>55,313,291</u> | <u>7,279,389</u> | <u>62,592,680</u> |
| Deferred Inflows of Resources | <u>4,166,608</u> | <u>772,945</u> | <u>4,939,553</u> |
| Net Position: | | | |
| Net Investments in Capital Assets | 26,307,894 | 33,067,316 | 59,375,210 |
| <i>Restricted for:</i> | | | |
| Debt Service | 83,515 | 4 | 83,519 |
| Capital Outlay | 1,258,733 | 618,466 | 1,877,199 |
| Street Maintenance and Repair | 2,839,067 | 0 | 2,839,067 |
| Bus Transit | 698,018 | 0 | 698,018 |
| Housing and Urban Development | 79,940 | 0 | 79,940 |
| Other Purposes | 1,221,335 | 0 | 1,221,335 |
| <i>Permanent Fund Purpose:</i> | | | |
| Expendable | 2,340 | 0 | 2,340 |
| Nonexpendable | 1,000 | 0 | 1,000 |
| Unrestricted (Deficit) | <u>(35,176,908)</u> | <u>5,207,250</u> | <u>(29,969,658)</u> |
| <i>Total Net Position</i> | <u><u>(\$2,685,066)</u></u> | <u><u>\$38,893,036</u></u> | <u><u>\$36,207,970</u></u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Activities
For the Year Ended December 31, 2018

| | | Program Revenues | | |
|--|---------------------|--------------------------------------|--|--|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| | Expenses | | | |
| Governmental Activities: | | | | |
| General Government | \$6,661,671 | \$2,373,866 | \$0 | \$0 |
| <i>Security of Persons and Property:</i> | | | | |
| Police | 7,589,867 | 34,761 | 235,623 | 0 |
| Fire | 7,001,891 | 1,048,201 | 14,110 | 0 |
| Transportation | 10,737,859 | 4,486,010 | 2,082,423 | 603,450 |
| Leisure Time Services | 1,176,712 | 109,365 | 0 | 56,802 |
| Community Environment | 354,503 | 0 | 13,450 | 0 |
| Basic Utility Services | 1,782,804 | 1,485,124 | 0 | 0 |
| Interest and Fiscal Charges | 287,022 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>35,592,329</u> | <u>9,537,327</u> | <u>2,345,606</u> | <u>660,252</u> |
| Business-Type Activities: | | | | |
| Sewer | 3,621,098 | 3,430,191 | 0 | 0 |
| Water | 4,537,006 | 4,421,534 | 0 | 0 |
| <i>Total Business-Type Activities</i> | <u>8,158,104</u> | <u>7,851,725</u> | <u>0</u> | <u>0</u> |
| <i>Totals</i> | <u>\$43,750,433</u> | <u>\$17,389,052</u> | <u>\$2,345,606</u> | <u>\$660,252</u> |

General Revenues

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Municipal Income Taxes Levied for:

General Purposes

Transportation

Capital Outlay

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Gain on Sale of Capital Assets

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, As Restated (See Note 4)

Net Position End of Year

See accompanying notes to the basic financial statements

| Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------------|---------------|
| Governmental Activities | Business-Type Activities | Total |
| (4,287,805) | \$0 | (\$4,287,805) |
| (7,319,483) | 0 | (7,319,483) |
| (5,939,580) | 0 | (5,939,580) |
| (3,565,976) | 0 | (3,565,976) |
| (1,010,545) | 0 | (1,010,545) |
| (341,053) | 0 | (341,053) |
| (297,680) | 0 | (297,680) |
| (287,022) | 0 | (287,022) |
| (23,049,144) | 0 | (23,049,144) |
| 0 | (190,907) | (190,907) |
| 0 | (115,472) | (115,472) |
| 0 | (306,379) | (306,379) |
| (23,049,144) | (306,379) | (23,355,523) |
| 971,274 | 0 | 971,274 |
| 233,800 | 0 | 233,800 |
| 12,260,316 | 0 | 12,260,316 |
| 2,329,437 | 0 | 2,329,437 |
| 973,611 | 0 | 973,611 |
| 307,338 | 0 | 307,338 |
| 1,148,782 | 0 | 1,148,782 |
| 0 | 30,900 | 30,900 |
| 195,099 | 0 | 195,099 |
| 1,079,252 | 223,403 | 1,302,655 |
| 19,498,909 | 254,303 | 19,753,212 |
| (28,642) | 28,642 | 0 |
| 19,470,267 | 282,945 | 19,753,212 |
| (3,578,877) | (23,434) | (3,602,311) |
| 893,811 | 38,916,470 | 39,810,281 |
| (\$2,685,066) | \$38,893,036 | \$36,207,970 |

City of Chillicothe, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

| | General | Street Construction Maintenance & Repair Fund | Bus Transit | All Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--|--------------------|------------------------------------|--------------------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,726,818 | \$2,367,743 | \$558,306 | \$1,809,604 | \$8,462,471 |
| Cash and Cash Equivalents in Segregated Accounts | 74,266 | 0 | 0 | 1,031 | 75,297 |
| Investments in City Treasury | 0 | 0 | 0 | 1,000 | 1,000 |
| Accounts Receivable | 315,433 | 0 | 398,391 | 0 | 713,824 |
| Interfund Receivable | 18,750 | 0 | 5,678 | 110,000 | 134,428 |
| Intergovernmental Receivable | 495,566 | 447,187 | 3,798 | 656,742 | 1,603,293 |
| Income Taxes Receivable | 1,863,955 | 248,528 | 124,264 | 248,528 | 2,485,275 |
| Property Taxes Receivable | 1,018,100 | 0 | 0 | 245,170 | 1,263,270 |
| Other Taxes Receivable | 145,284 | 0 | 0 | 0 | 145,284 |
| Special Assessments Receivable | 61,422 | 0 | 0 | 0 | 61,422 |
| Materials and Supplies Inventory | 45,043 | 11,834 | 21,442 | 0 | 78,319 |
| Prepaid Items | 360,506 | 10,997 | 107,798 | 25,338 | 504,639 |
| <i>Total Assets</i> | <u>\$8,125,143</u> | <u>\$3,086,289</u> | <u>\$1,219,677</u> | <u>\$3,097,413</u> | <u>\$15,528,522</u> |
| Liabilities: | | | | | |
| Accounts Payable | \$557,473 | \$49,915 | \$32,552 | \$54,588 | \$694,528 |
| Accrued Wages and Benefits | 151,080 | 6,574 | 22,911 | 4,851 | 185,416 |
| Contracts Payable | 18,518 | 103,432 | 314,908 | 0 | 436,858 |
| Intergovernmental Payable | 151,963 | 5,383 | 26,192 | 107,956 | 291,494 |
| Matured Compensated Absences | 0 | 0 | 1,296 | 0 | 1,296 |
| Interfund Payable | 110,000 | 13,178 | 3,750 | 7,500 | 134,428 |
| <i>Total Liabilities</i> | <u>989,034</u> | <u>178,482</u> | <u>401,609</u> | <u>174,895</u> | <u>1,744,020</u> |
| Deferred Inflows of Resources | <u>2,305,073</u> | <u>420,487</u> | <u>61,181</u> | <u>885,648</u> | <u>3,672,389</u> |
| Fund Balances: | | | | | |
| Nonspendable | 508,499 | 22,831 | 129,240 | 26,338 | 686,908 |
| Restricted | 0 | 2,464,489 | 627,647 | 2,004,767 | 5,096,903 |
| Committed | 54,278 | 0 | 0 | 0 | 54,278 |
| Assigned | 11,420 | 0 | 0 | 5,765 | 17,185 |
| Unassigned | 4,256,839 | 0 | 0 | 0 | 4,256,839 |
| <i>Total Fund Balances</i> | <u>4,831,036</u> | <u>2,487,320</u> | <u>756,887</u> | <u>2,036,870</u> | <u>10,112,113</u> |
| <i>Total Liabilities, Deferred Inflows and Fund Balances</i> | <u>\$8,125,143</u> | <u>\$3,086,289</u> | <u>\$1,219,677</u> | <u>\$3,097,413</u> | <u>\$15,528,522</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2018

Total Governmental Fund Balances \$10,112,113

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 34,520,637

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

| | | |
|--------------------------|-----------|--|
| Property and Other Taxes | 55,004 | |
| Income Taxes | 1,223,618 | |
| Intergovernmental | 1,163,441 | |
| Special Assessments | 22,060 | |
| | 22,060 | |

Total 2,464,123

Some interest is not due and payable in the current period and therefore is not reported in the funds. (27,192)

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

| | | |
|------------------------------|-------------|--|
| Refunding Bonds | (3,275,000) | |
| General Obligation Bonds | (4,683,881) | |
| Premium on Bonds | (151,970) | |
| Capital Leases Payable | (301,892) | |
| Landfill Postclosure Costs | (107,651) | |
| Compensated Absences Payable | (1,990,037) | |
| | (1,990,037) | |

Total (10,510,431)

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:

| | | |
|-----------------------------|--------------|--|
| Deferred Outflows - Pension | 4,597,362 | |
| Deferred Outflows - OPEB | 2,199,606 | |
| Deferred Inflows - Pension | (2,454,845) | |
| Deferred Inflows - OPEB | (503,497) | |
| Net Pension Liability | (23,248,073) | |
| Net OPEB Liability | (19,918,003) | |
| | (19,918,003) | |

Total (39,327,450)

An internal service fund is used by management to charge the costs of fuel purchasing program to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

83,134

Net Position of Governmental Activities (\$2,685,066)

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

| | General | Street Construction Maintenance & Repair Fund | Bus Transit | All Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--|------------------|------------------------------------|--------------------------------|
| Revenues: | | | | | |
| Property Taxes | \$965,249 | \$0 | \$0 | \$232,402 | \$1,197,651 |
| Income Taxes | 11,571,785 | 1,536,632 | 771,932 | 1,543,865 | 15,424,214 |
| Other Local Taxes | 307,338 | 0 | 0 | 0 | 307,338 |
| Charges for Services | 3,280,157 | 0 | 4,471,770 | 111,060 | 7,862,987 |
| Fines, Licenses, and Permits | 1,595,924 | 0 | 0 | 40,506 | 1,636,430 |
| Intergovernmental | 1,066,367 | 911,540 | 1,391,534 | 539,139 | 3,908,580 |
| Special Assessments | 20,615 | 0 | 0 | 0 | 20,615 |
| Interest | 195,040 | 18 | 9 | 32 | 195,099 |
| Contributions and Donations | 0 | 0 | 0 | 14,567 | 14,567 |
| Other | 797,627 | 21,603 | 199,696 | 60,326 | 1,079,252 |
| <i>Total Revenues</i> | <u>19,800,102</u> | <u>2,469,793</u> | <u>6,834,941</u> | <u>2,541,897</u> | <u>31,646,733</u> |
| Expenditures: | | | | | |
| <i>Current:</i> | | | | | |
| General Government | 6,414,195 | 0 | 0 | 0 | 6,414,195 |
| <i>Security of Persons and Property:</i> | | | | | |
| Police | 5,415,235 | 0 | 0 | 658,852 | 6,074,087 |
| Fire | 4,990,326 | 0 | 0 | 752,397 | 5,742,723 |
| Transportation | 311,527 | 2,387,842 | 6,815,276 | 261,013 | 9,775,658 |
| Leisure Time Services | 0 | 0 | 0 | 780,745 | 780,745 |
| Community Environment | 45,526 | 0 | 0 | 0 | 45,526 |
| Basic Utility Services | 1,731,054 | 0 | 0 | 0 | 1,731,054 |
| Capital Outlay | 60,213 | 0 | 0 | 1,046,455 | 1,106,668 |
| <i>Debt Service:</i> | | | | | |
| Principal Retirements | 254,241 | 620,000 | 34,293 | 295,883 | 1,204,417 |
| Interest and Fiscal Charges | 120,303 | 122,373 | 43,957 | 24,910 | 311,543 |
| <i>Total Expenditures</i> | <u>19,342,620</u> | <u>3,130,215</u> | <u>6,893,526</u> | <u>3,820,255</u> | <u>33,186,616</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>457,482</u> | <u>(660,422)</u> | <u>(58,585)</u> | <u>(1,278,358)</u> | <u>(1,539,883)</u> |
| Other Financing Sources and Uses: | | | | | |
| Proceeds from the Sale of Capital Assets | 47,654 | 0 | 22,938 | 15,252 | 85,844 |
| Issuance of General Obligation Bonds | 0 | 0 | 0 | 297,889 | 297,889 |
| Inception of Capital Lease | 3,025 | 0 | 0 | 0 | 3,025 |
| Transfers In | 296,764 | 0 | 0 | 1,348,069 | 1,644,833 |
| Transfers Out | (1,284,008) | (141,561) | (22,634) | (225,272) | (1,673,475) |
| <i>Total Other Financing Sources and Uses</i> | <u>(936,565)</u> | <u>(141,561)</u> | <u>304</u> | <u>1,435,938</u> | <u>358,116</u> |
| <i>Net Change in Fund Balance</i> | <u>(479,083)</u> | <u>(801,983)</u> | <u>(58,281)</u> | <u>157,580</u> | <u>(1,181,767)</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>5,310,119</u> | <u>3,289,303</u> | <u>815,168</u> | <u>1,879,290</u> | <u>11,293,880</u> |
| <i>Fund Balance at End of Year</i> | <u>\$4,831,036</u> | <u>\$2,487,320</u> | <u>\$756,887</u> | <u>\$2,036,870</u> | <u>\$10,112,113</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds (\$1,181,767)

**Amounts reported for governmental activities in the Statement of Activities are
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 expense. This is the amount by which depreciation exceeds capital outlays in the current period:

| | | |
|---------------------------|-------------|-----------|
| Capital Asset Additions | 2,649,549 | |
| Current Year Depreciation | (3,252,391) | |
| Total | | (602,842) |

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (201,161)

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

| | | |
|--------------------------------|---------|---------|
| Delinquent Property Taxes | 7,423 | |
| Income Taxes | 139,150 | |
| Intergovernmental | 238,293 | |
| Delinquent Special Assessments | 10,495 | |
| Total | | 395,361 |

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

| | | |
|----------------------|--|-----------|
| Principal Retirement | | 1,204,417 |
|----------------------|--|-----------|

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,740)

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

| | | |
|-----------------------------|-----------|-----------|
| Proceeds from Bonds | (297,889) | |
| Inception of Capital Leases | (3,025) | |
| Total | | (300,914) |

Landfill Closure expenditures that are reported as a reduction of a liability as a change in estimate and are reported in the statement of activities. 42,797

Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures:

| | | |
|-------------------------|----------|----------|
| Compensated Absences | (45,369) | |
| Premium on Bonds Issued | 26,261 | |
| Total | | (19,108) |

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,200,688

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (5,129,957)

The internal service fund used by management to charge the cost of fuel purchasing program to individual funds is not reported in the government-wide Statement of Activities. Governmental expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the activities.

15,349

Change in Net Position - Governmental Activities (\$3,578,877)

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Local Taxes | \$12,316,939 | \$12,672,221 | \$13,028,449 | \$356,228 |
| Charges for Services | 3,620,059 | 3,249,723 | 3,251,336 | 1,613 |
| Fines, Licenses and Permits | 1,670,043 | 1,603,566 | 1,611,334 | 7,768 |
| Intergovernmental | 848,007 | 1,081,448 | 1,075,292 | (6,156) |
| Special Assessments | 5,500 | 12,700 | 12,700 | 0 |
| Investment Earnings | 55,000 | 145,109 | 162,018 | 16,909 |
| Other | 604,592 | 792,501 | 781,238 | (11,263) |
| Total Revenue | 19,120,140 | 19,557,268 | 19,922,367 | 365,099 |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| General Government | 6,028,994 | 6,512,724 | 6,058,330 | 454,394 |
| Security of Persons and Property | | | | |
| Police | 5,225,173 | 5,696,141 | 5,648,661 | 47,480 |
| Fire | 5,020,840 | 5,167,534 | 5,151,850 | 15,684 |
| Transportation | 330,000 | 330,000 | 311,527 | 18,473 |
| Community Environment | 175 | 175 | 0 | 175 |
| Basic Utility Services | 787,553 | 1,775,073 | 1,748,661 | 26,412 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 45,000 | 135,000 | 135,000 | 0 |
| Interest and Fiscal Charges | 71,219 | 94,186 | 94,186 | 0 |
| Total Expenditures | 17,508,954 | 19,710,833 | 19,148,215 | 562,618 |
| Excess of Revenues Over (Under) Expenditures | 1,611,186 | (153,565) | 774,152 | 927,717 |
| Other Financing Sources and Uses: | | | | |
| Proceeds from Sale of Capital Assets | 0 | 46,654 | 46,654 | 0 |
| Transfers In | 488,129 | 94,841 | 296,764 | 201,923 |
| Transfers Out | (1,885,342) | (1,902,272) | (1,790,068) | 112,204 |
| Total Other Financing Sources and Uses | (1,397,213) | (1,760,777) | (1,446,650) | 314,127 |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 213,973 | (1,914,342) | (672,498) | 1,241,844 |
| Fund Balances at Beginning of Year | 3,860,853 | 3,860,853 | 3,860,853 | 0 |
| Prior Year Encumbrances Appropriated | 196,894 | 196,894 | 196,894 | 0 |
| Fund Balances at End of Year | \$4,271,720 | \$2,143,405 | \$3,385,249 | \$1,241,844 |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Local Taxes | \$1,472,500 | \$1,506,930 | \$1,554,400 | \$47,470 |
| Intergovernmental | 860,000 | 904,247 | 903,180 | (1,067) |
| Other | 8,000 | 21,074 | 21,621 | 547 |
| <i>Total Revenues</i> | <u>2,340,500</u> | <u>2,432,251</u> | <u>2,479,201</u> | <u>46,950</u> |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| Transportation | 1,916,783 | 2,712,807 | 2,665,225 | 47,582 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 620,000 | 620,000 | 620,000 | 0 |
| Interest and Fiscal Charges | 122,373 | 122,373 | 122,373 | 0 |
| <i>Total Expenditures</i> | <u>2,659,156</u> | <u>3,455,180</u> | <u>3,407,598</u> | <u>47,582</u> |
| <i>Excess of Revenues Under Expenditures</i> | (318,656) | (1,022,929) | (928,397) | 94,532 |
| Other Financing Sources and Uses: | | | | |
| Transfers In | 1,224,604 | 1,224,604 | 0 | (1,224,604) |
| Transfers Out | (1,224,604) | (1,361,657) | (141,561) | 1,220,096 |
| <i>Total Other Financing Sources and Uses</i> | <u>0</u> | <u>(137,053)</u> | <u>(141,561)</u> | <u>(4,508)</u> |
| <i>Excess of Revenues and Other Sources Under Expenditures and Other Uses</i> | (318,656) | (1,159,982) | (1,069,958) | 90,024 |
| <i>Fund Balances at Beginning of Year</i> | 2,761,503 | 2,761,503 | 2,761,503 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>315,967</u> | <u>315,967</u> | <u>315,967</u> | <u>0</u> |
| <i>Fund Balances at End of Year</i> | <u>\$2,758,814</u> | <u>\$1,917,488</u> | <u>\$2,007,512</u> | <u>\$90,024</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Local Taxes | \$739,000 | \$757,066 | \$780,816 | \$23,750 |
| Charges for Services | 2,183,000 | 4,101,399 | 4,102,513 | 1,114 |
| Intergovernmental | 1,583,165 | 1,684,617 | 1,688,617 | 4,000 |
| Other | 162,600 | 223,492 | 221,857 | (1,635) |
| <i>Total Revenues</i> | <u>4,667,765</u> | <u>6,766,574</u> | <u>6,793,803</u> | <u>27,229</u> |
| Expenditures: | | | | |
| <i>Current:</i> | | | | |
| Transportation | 4,577,453 | 7,271,376 | 6,879,777 | 391,599 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 30,000 | 30,000 | 30,000 | 0 |
| Interest and Fiscal Charges | 42,531 | 42,531 | 42,531 | 0 |
| <i>Total Expenditures</i> | <u>4,649,984</u> | <u>7,343,907</u> | <u>6,952,308</u> | <u>391,599</u> |
| <i>Excess of Revenues Under Expenditures</i> | 17,781 | (577,333) | (158,505) | 418,828 |
| Other Financing Sources and Uses: | | | | |
| Proceeds from the Sale of Capital Assets | 0 | 22,938 | 22,938 | 0 |
| Transfers Out | (22,600) | (22,600) | (22,634) | (34) |
| <i>Total Other Financing Sources and Uses</i> | <u>(22,600)</u> | <u>338</u> | <u>304</u> | <u>(34)</u> |
| <i>Excess of Revenues and Other Sources Under Expenditures and Other Uses</i> | (4,819) | (576,995) | (158,201) | 418,794 |
| <i>Fund Balances at Beginning of Year</i> | 226,672 | 226,672 | 226,672 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>489,835</u> | <u>489,835</u> | <u>489,835</u> | <u>0</u> |
| <i>Fund Balances at End of Year</i> | <u>\$711,688</u> | <u>\$139,512</u> | <u>\$558,306</u> | <u>\$418,794</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

| | Enterprise Funds | | | Governmental Activities |
|---|---------------------|---------------------|---------------------|----------------------------|
| | Water | Sewer | Total | Internal Service |
| Assets: | | | | |
| <i>Current Assets:</i> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$5,019,679 | \$4,516,301 | \$9,535,980 | \$83,134 |
| Accounts Receivable | 623,509 | 536,357 | 1,159,866 | 0 |
| Materials and Supplies Inventory | 24,279 | 8,571 | 32,850 | 0 |
| Prepaid Items | 112,738 | 21,175 | 133,913 | 0 |
| <i>Total Current Assets</i> | <u>5,780,205</u> | <u>5,082,404</u> | <u>10,862,609</u> | <u>83,134</u> |
| <i>Noncurrent Assets:</i> | | | | |
| <i>Restricted Assets:</i> | | | | |
| Equity in Pooled Cash and Cash Equivalents | 0 | 618,466 | 618,466 | 0 |
| Cash and Cash Equivalents with Fiscal Agents | 4 | 0 | 4 | 0 |
| Non-Depreciable Capital Assets | 1,566,914 | 476,497 | 2,043,411 | 0 |
| Depreciable Capital Assets, Net | 19,221,643 | 13,368,733 | 32,590,376 | 0 |
| <i>Total Noncurrent Assets</i> | <u>20,788,561</u> | <u>14,463,696</u> | <u>35,252,257</u> | <u>0</u> |
| <i>Total Assets</i> | <u>26,568,766</u> | <u>19,546,100</u> | <u>46,114,866</u> | <u>83,134</u> |
| Deferred Outflows of Resources | <u>460,070</u> | <u>370,434</u> | <u>830,504</u> | <u>0</u> |
| Liabilities: | | | | |
| <i>Current:</i> | | | | |
| Accounts Payable | 61,921 | 431,248 | 493,169 | 0 |
| Accrued Wages and Benefits | 14,686 | 19,390 | 34,076 | 0 |
| Contracts Payable | 2,500 | 2,500 | 5,000 | 0 |
| Intergovernmental Payable | 21,229 | 14,823 | 36,052 | 0 |
| Accrued Interest Payable | 1,438 | 2,595 | 4,033 | 0 |
| Compensated Absences Payable | 175,388 | 133,877 | 309,265 | 0 |
| General Obligation Bonds Payable | 435,000 | 130,000 | 565,000 | 0 |
| <i>Total Current Liabilities</i> | <u>712,162</u> | <u>734,433</u> | <u>1,446,595</u> | <u>0</u> |
| <i>Noncurrent Liabilities:</i> | | | | |
| Compensated Absences Payable - net of current portion | 282,481 | 152,061 | 434,542 | 0 |
| General Obligation Bonds Payable - net of current portion | 440,000 | 545,000 | 985,000 | 0 |
| Unamortized Premium on Bonds | 16,559 | 12,412 | 28,971 | 0 |
| Net Pension Liability | 1,432,586 | 1,175,307 | 2,607,893 | 0 |
| Net OPEB Liability | 975,818 | 800,570 | 1,776,388 | 0 |
| <i>Total Noncurrent Liabilities</i> | <u>3,147,444</u> | <u>2,685,350</u> | <u>5,832,794</u> | <u>0</u> |
| <i>Total Liabilities</i> | <u>3,859,606</u> | <u>3,419,783</u> | <u>7,279,389</u> | <u>0</u> |
| Deferred Inflows of Resources | <u>416,321</u> | <u>356,624</u> | <u>772,945</u> | <u>0</u> |
| Net Position: | | | | |
| Net Investments in Capital Assets | 19,896,998 | 13,170,318 | 33,067,316 | 0 |
| Restricted for Debt Service | 4 | 0 | 4 | 0 |
| Restricted for Capital Outlay | 0 | 618,466 | 618,466 | 0 |
| Unrestricted | 2,855,907 | 2,351,343 | 5,207,250 | 83,134 |
| <i>Total Net Position</i> | <u>\$22,752,909</u> | <u>\$16,140,127</u> | <u>\$38,893,036</u> | <u>\$83,134</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

| | Enterprise Funds | | | Governmental Activities |
|--|---------------------|---------------------|---------------------|----------------------------|
| | Water | Sewer | Total | Internal Service |
| Operating Revenues: | | | | |
| Charges for Services | \$4,421,534 | \$3,430,191 | \$7,851,725 | \$429,136 |
| Other | 141,227 | 82,176 | 223,403 | 0 |
| <i>Total Operating Revenues</i> | <u>4,562,761</u> | <u>3,512,367</u> | <u>8,075,128</u> | <u>429,136</u> |
| Operating Expenses: | | | | |
| Personal Services | 1,396,132 | 1,132,276 | 2,528,408 | 0 |
| Fringe Benefits | 893,824 | 809,715 | 1,703,539 | 0 |
| Travel | 137 | 137 | 274 | 0 |
| Contractual Services | 107,809 | 128,410 | 236,219 | 0 |
| Materials and Supplies | 668,731 | 625,138 | 1,293,869 | 413,787 |
| Depreciation | 896,136 | 682,401 | 1,578,537 | 0 |
| Other | 282,552 | 219,590 | 502,142 | 0 |
| <i>Total Operating Expenses</i> | <u>4,245,321</u> | <u>3,597,667</u> | <u>7,842,988</u> | <u>413,787</u> |
| <i>Operating Income (Loss)</i> | <u>317,440</u> | <u>(85,300)</u> | <u>232,140</u> | <u>15,349</u> |
| Non-Operating Expenses: | | | | |
| Gain on Sale of Capital Assets | 0 | 30,900 | 30,900 | 0 |
| Interest and Fiscal Charges | (17,298) | (23,431) | (40,729) | 0 |
| Loss on Disposal of Capital Assets | (274,387) | 0 | (274,387) | 0 |
| <i>Total Non-Operating Expense</i> | <u>(291,685)</u> | <u>7,469</u> | <u>(284,216)</u> | <u>0</u> |
| <i>Income (Loss) Before Transfers</i> | <u>25,755</u> | <u>(77,831)</u> | <u>(52,076)</u> | <u>15,349</u> |
| Transfers In | 0 | 30,000 | 30,000 | 0 |
| Transfers Out | (678) | (680) | (1,358) | 0 |
| <i>Change in Net Position</i> | <u>25,077</u> | <u>(48,511)</u> | <u>(23,434)</u> | <u>15,349</u> |
| <i>Net Position at Beginning of Year, As Restated (See Note 4)</i> | <u>22,727,832</u> | <u>16,188,638</u> | <u>38,916,470</u> | <u>67,785</u> |
| <i>Net Position at End of Year</i> | <u>\$22,752,909</u> | <u>\$16,140,127</u> | <u>\$38,893,036</u> | <u>\$83,134</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

| | Enterprise Funds | | | Governmental Activities |
|---|--------------------|--------------------|---------------------|----------------------------|
| | Water | Sewer | Total | Internal Service |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$4,402,487 | \$3,361,669 | \$7,764,156 | \$429,136 |
| Cash Received from Other Receipts | 141,227 | 82,176 | 223,403 | 0 |
| Cash Payments to Employees | (2,136,064) | (1,784,480) | (3,920,544) | 0 |
| Cash Payments for Contractual Services | (116,496) | (124,007) | (240,503) | 0 |
| Cash Payments for Supplies and Materials | (664,353) | (252,570) | (916,923) | (413,787) |
| Cash Payments for Other Expenses | (250,468) | (190,613) | (441,081) | 0 |
| <i>Net Cash Provided by Operating Activities</i> | <u>1,376,333</u> | <u>1,092,175</u> | <u>2,468,508</u> | <u>15,349</u> |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Transfers In from Other Funds | 0 | 30,000 | 30,000 | 0 |
| Transfers Out to Other Funds | (678) | (680) | (1,358) | 0 |
| <i>Net Cash Provided (Used) by Non-Capital Financing Activities</i> | <u>(678)</u> | <u>29,320</u> | <u>28,642</u> | <u>0</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Principal Paid on Bonds, Notes and Capital Leases | (425,000) | (120,000) | (545,000) | 0 |
| Interest Paid on Bonds, Notes and Capital Leases | (26,000) | (22,750) | (48,750) | 0 |
| Cash Paid to Acquire/Construct Capital Assets | (490,742) | (412,159) | (902,901) | 0 |
| Cash Received from Sale of Assets | 21,233 | 30,900 | 52,133 | 0 |
| <i>Net Cash Used by Capital and Related Financing</i> | <u>(920,509)</u> | <u>(524,009)</u> | <u>(1,444,518)</u> | <u>0</u> |
| <i>Net Change In Cash and Cash Equivalents</i> | <u>455,146</u> | <u>597,486</u> | <u>1,052,632</u> | <u>15,349</u> |
| <i>Cash and Cash Equivalents at Beginning of Year</i> | <u>4,564,537</u> | <u>4,537,281</u> | <u>9,101,818</u> | <u>67,785</u> |
| <i>Cash and Cash Equivalents at End of Year</i> | <u>\$5,019,683</u> | <u>\$5,134,767</u> | <u>\$10,154,450</u> | <u>\$83,134</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

| | Enterprise Funds | | | Governmental Activities |
|--|--------------------|--------------------|--------------------|----------------------------|
| | Water | Sewer | Total | Internal Service |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | | | |
| Operating Income | \$317,440 | (\$85,300) | \$232,140 | \$15,349 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation Expense | 896,136 | 682,401 | 1,578,537 | 0 |
| <i>Changes in Assets and Liabilities:</i> | | | | |
| (Increase) Decrease in Accounts Receivable | (19,047) | (68,522) | (87,569) | 0 |
| (Increase) Decrease in Material & Supply Inventory | 3,355 | (3,429) | (74) | 0 |
| (Increase) Decrease in Prepaid Items | (71,226) | 3,278 | (67,948) | 0 |
| (Increase) Decrease in Deferred Outflows of Resources | 353,117 | 342,912 | 696,029 | 0 |
| Increase (Decrease) in Accounts Payable | 44,346 | 409,824 | 454,170 | 0 |
| Increase (Decrease) in Contracts Payable | 2,500 | 2,500 | 5,000 | 0 |
| Increase (Decrease) in Accrued Wages Payable | (1,407) | 559 | (848) | 0 |
| Increase (Decrease) in Compensated Absences Payable | 29,289 | 20,140 | 49,429 | 0 |
| Increase (Decrease) in Intergovernmental Payable | (29,702) | (33,618) | (63,320) | 0 |
| Increase (Decrease) in Net Pension Liability | (616,453) | (560,413) | (1,176,866) | 0 |
| Increase (Decrease) in Net OPEB Liability | 78,918 | 40,651 | 119,569 | 0 |
| Increase (Decrease) in Deferred Inflows of Resources | 389,067 | 341,192 | 730,259 | 0 |
| Net Cash Provided by Operating Activities | <u>\$1,376,333</u> | <u>\$1,092,175</u> | <u>\$2,468,508</u> | <u>\$15,349</u> |

See accompanying notes to the basic financial statements

City of Chillicothe, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

| | Agency Funds |
|--|-----------------|
| | |
| Assets: | |
| <i>Current Assets:</i> | |
| Equity in Pooled Cash & Cash Equivalents | \$37,992 |
| Cash and Cash Equivalents in Segregated Accounts | 148,259 |
| | |
| <i>Total Assets</i> | \$186,251 |
| | |
| Liabilities: | |
| <i>Current Liabilities:</i> | |
| Intergovernmental Payable | \$59,362 |
| Undistributed Monies | 88,897 |
| Deposits Held and Due to Others | 37,992 |
| | |
| <i>Total Liabilities</i> | \$186,251 |
| | |

See accompanying notes to the basic financial statements

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

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 government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated on the Statement of Activities. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

Street Construction Maintenance & Repair Fund - To account for that portion of the state gasoline tax, motor vehicle registration fees, and income tax revenue designated for maintenance and repair of streets within the City.

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position, and cash flows. The City's proprietary funds are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The following are the City's major enterprise funds:

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

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

The only internal service fund of the City accounts for a fuel purchasing program which provides bulk fuel purchases for vehicles of the various City departments.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for assets that are held pending determination of their disposition and the City's Municipal Court balances.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred inflows/outflows of resources associated with the operation of the City are included on the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and certain deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, all liabilities and deferred inflows/outflows of resources 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 total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned (See Note 17).

Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 15). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Expenditures/Expenses

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

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

Budgetary Accounting and Control

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

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

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

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

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

Additionally, the City reflects outstanding encumbrances at year-end as expenditures on the budgetary basis.

Cash and Cash Equivalents

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

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with an original maturity of three months or less at the time of purchase.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2018 amounted to \$195,040, which includes \$152,433 assigned from other City funds.

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

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

Inventory

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

On fund financial statements, inventories are stated at cost determined on a first-in, first-out basis.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Restricted Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City maintains a capitalization threshold of five hundred dollars. The City's infrastructure consists of streets, traffic signals, floodwall, park lighting, water and sewer lines, valves, and meters.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

Compensated Absences

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

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for restricted purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinance of City Council – the City’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Council, Mayor and Auditor have the authority to assign amounts to be used for specific purposes. Currently, the authorizing party must notify the City Auditor of the intent to make an assignment, by declaring the amount, the fund and the purpose for which the funds will be used. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

Net 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 first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Operating Revenues and Expenses

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

Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Interfund services provided and used are not eliminated on the Statement of Activities.

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the government-wide financial statements. On the government-wide statements, “internal balances” represent short-term interfund loans between governmental and business-type activities. Interfund services provided and used are not eliminated in the process of consolidation.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Extraordinary and Special Items

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

Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues and Other Financing Sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and Other Financing Uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a restriction, commitment, or assignment of fund balance.
4. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

| | General Fund | Street Construction Maintenance & Repair | Bus Transit Fund |
|---|---------------------------|---|---------------------------|
| GAAP Basis | <u>(\$479,083)</u> | <u>(\$801,983)</u> | <u>(\$58,281)</u> |
| Adjustments: | | | |
| Net Adjustments for Revenue Accruals | 138,746 | 9,408 | (41,138) |
| Net Adjustments for Expenditure Accruals | (323,237) | 82,849 | (58,782) |
| Encumbrances | (38,155) | (360,232) | 0 |
| Net Adjustment for Other Sources (Uses) | 31,975 | 0 | 0 |
| <i>Prospective Difference:</i> | | | |
| Activity of Funds Reclassified For GAAP Reporting Purposes | <u>(2,744)</u> | <u>0</u> | <u>0</u> |
| Budget Basis | <u><u>(\$672,498)</u></u> | <u><u>(\$1,069,958)</u></u> | <u><u>(\$158,201)</u></u> |

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, GASB Statement No. 85, Omnibus 2017, and GASB Statement No. 86, Certain Debt Extinguishments.

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the City's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements, and added required supplementary information which can be found following these notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

A net position restatement is required in order to implement GASB Statement No. 75. The governmental activities, business-type activities, water fund, and sewer fund at January 1, 2018 have been restated as follows:

| | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Net Position December 31, 2017 | \$17,508,561 | \$40,549,829 |
| <i>Adjustments:</i> | | |
| Net OPEB Liability | (16,701,084) | (1,656,819) |
| Deferred Outflow - Payments Subsequent to Measurement Date | 86,334 | 23,460 |
| Restated Net Position December 31, 2017 | <u>\$893,811</u> | <u>\$38,916,470</u> |

| | Water | Sewer | Total Enterprise |
|---|---------------------|---------------------|---------------------|
| Net Position December 31, 2017 | | | |
| <i>Adjustments:</i> | | | |
| Net Pension Liability | \$23,612,031 | \$16,937,798 | \$40,549,829 |
| Deferred Outflow - Payments Subsequent to Measurement Date | (896,900) | (759,919) | (1,656,819) |
| | 12,701 | 10,759 | 23,460 |
| Restated Net Position December 31, 2017 | <u>\$22,727,832</u> | <u>\$16,188,638</u> | <u>\$38,916,470</u> |

NOTE 5 - CASH, DEPOSITS, AND INVESTMENTS

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

The amount available for deposit and investment are as follows:

| | |
|---|---------------------|
| Cash and Cash Equivalents | |
| -Pooled | \$18,738,043 |
| -Segregated | 223,556 |
| -Fiscal Agents | 4 |
| Investment (Carrying Amount) | 1,000 |
| Reconciling items (net) to arrive at bank balances for deposits | 280,146 |
| Total available for deposit and investment | \$19,242,749 |

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

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

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

Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned.

At December 31, 2018, the carrying amount of all City deposits was \$18,961,603. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2018, the City's bank balance of \$19,241,749 was either covered by the Federal Deposit Insurance or collateralized by the financial institution's public entity deposit pools in the manner described below.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

All of the City's financial institutions are enrolled in the OPCS.

Investments: As of December 31, 2018, the City had the following investment and maturity:

| Investment Type | Fair Value | One Year or Less |
|--------------------|------------|---------------------|
| U.S. Treasury Bond | \$1,000 | \$1,000 |
| Total | \$1,000 | \$1,000 |

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

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its investments to those authorized by state statute. Standard and Poor's has assigned a rating of "AA+" to U.S. Treasury Bonds.

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

The City has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2018.

The City's investment is a Level 1 input.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2018 consisted of property and other taxes, municipal income taxes, accounts (billings for user charged services), special assessments, and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Governmental Activities

General Fund:

| | |
|-----------------------------------|-----------|
| Local Government Distributions | \$437,511 |
| State Property Tax Reimbursements | 58,055 |
| Total General Fund | 495,566 |

| | |
|--|---------|
| Street Construction Maintenance & Repair Distributions | 447,187 |
| Bus Transit Grants | 3,798 |

Nonmajor Governmental Funds:

| | |
|---|---------|
| State Highway Distributions | 36,258 |
| HUD Grants | 66,454 |
| Law Enforcement | 683 |
| Indigent Drivers Alcohol Treatment | 9,175 |
| State Grants | 50,228 |
| Police & Fire Pension State Property Tax Reimbursements | 13,944 |
| Safety Levy Capital - OPWC Grants | 480,000 |
| Total Nonmajor Governmental Funds | 656,742 |

| | |
|--|--------------------|
| Total Intergovernmental Receivables | \$1,603,293 |
|--|--------------------|

NOTE 7 – DEFERRED INFLOW/OUTFLOW

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide Statement of Net Position and include deferred charges on refunding debt and pension/OPEB expense. A deferral on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferral for pension results from changes in Net Pension/OPEB Liability not recognized as a component of current year pension expense. This amount is deferred and amortized over various periods as instructed by the pension plan administrators. Deferred outflows of resources related to pensions/OPEB are explained further in Notes 12 and 13.

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Water Fund</u> | <u>Sewer Fund</u> |
|------------------------------------|------------------------------------|-------------------------------------|-------------------|-------------------|
| Pension | \$4,597,362 | \$680,003 | \$380,982 | \$299,021 |
| OPEB | 2,199,606 | 138,001 | 79,088 | 58,913 |
| Deferred Charges on Refunding Debt | 0 | 12,500 | 0 | 12,500 |
| Total | <u>\$6,796,968</u> | <u>\$830,504</u> | <u>\$460,070</u> | <u>\$370,434</u> |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, unavailable revenues and pensions. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as deferred inflows on both the government-wide Statement of Net Position and the governmental fund financial statements. Additionally, deferred inflows related to pensions/OPEB are reported in the government-wide Statement of Net Position. Deferred inflows related to pensions/OPEB result from changes in net pension/OPEB liability not recognized as a component of current year expense. Deferred inflows of resources related to pensions/OPEB are explained further in Notes 12 and 13.

| | Governmental Activities | Business-Type Activities | Water Fund | Sewer Fund |
|--------------|----------------------------|-----------------------------|------------------|------------------|
| Property Tax | \$1,208,266 | \$0 | \$0 | \$0 |
| Pension | 2,454,845 | 630,287 | 343,629 | 286,658 |
| OPEB | 503,497 | 142,658 | 72,692 | 69,966 |
| Total | \$4,166,608 | \$772,945 | \$416,321 | \$356,624 |

Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants and special assessments. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

| | General | Street | Bus Transit | Other Governmental Funds | Totals |
|-------------------------------------|--------------------|------------------|-----------------|--------------------------------|--------------------|
| Property Tax | \$1,018,100 | \$0 | \$0 | \$245,170 | \$1,263,270 |
| Income Taxes | 917,713 | 122,362 | 61,181 | 122,362 | 1,223,618 |
| Grants and Entitlements | 347,200 | 298,125 | 0 | 518,116 | 1,163,441 |
| Special Assessment | 22,060 | 0 | 0 | 0 | 22,060 |
| Total Deferred Inflows of Resources | \$2,305,073 | \$420,487 | \$61,181 | \$885,648 | \$3,672,389 |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - CAPITAL ASSETS

The following table provides a summary of the changes in capital assets during 2018 for the governmental activities:

| | Balance 1/1/2018 | Additions | Deletions | Balance 12/31/2018 |
|--|---------------------|--------------------|--------------------|-----------------------|
| Governmental Activities: | | | | |
| <i>Nondepreciable Capital Assets:</i> | | | | |
| Land | \$6,864,490 | \$0 | \$0 | \$6,864,490 |
| Total Nondepreciable Capital Assets | 6,864,490 | 0 | 0 | 6,864,490 |
| <i>Depreciable Capital Assets:</i> | | | | |
| Land Improvements | 5,107,164 | 41,520 | (34,790) | 5,113,894 |
| Buildings, Structures & Improvements | 20,777,504 | 54,927 | (5,112) | 20,827,319 |
| Furniture, Fixtures, Equipment & Vehicles | 15,536,387 | 1,451,953 | (1,537,058) | 15,451,282 |
| Infrastructure | 61,904,201 | 1,101,149 | (824,239) | 62,181,111 |
| Total Depreciable Capital Assets | 103,325,256 | 2,649,549 | (2,401,199) | 103,573,606 |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Land Improvements | (4,986,919) | (59,501) | 34,790 | (5,011,630) |
| Buildings, Structures & Improvements | (10,771,318) | (457,916) | 3,010 | (11,226,224) |
| Furniture, Fixtures, Equipment & Vehicles | (12,273,982) | (1,031,522) | 1,491,327 | (11,814,177) |
| Infrastructure | (46,832,887) | (1,703,452) | 670,911 | (47,865,428) |
| Total Accumulated Depreciation | (74,865,106) | (3,252,391) | 2,200,038 | (75,917,459) |
| Total Capital Assets Being Depreciated, Net | 28,460,150 | (602,842) | (201,161) | 27,656,147 |
| Governmental Activities Capital Assets, Net | \$35,324,640 | (\$602,842) | (\$201,161) | \$34,520,637 |

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

| | |
|---|--------------------|
| Governmental Activities | |
| General Government | \$365,054 |
| <i>Security of Persons and Property:</i> | |
| Police | 283,518 |
| Fire | 187,933 |
| Transportation | 1,903,446 |
| Community Environment | 308,977 |
| Leisure Time Activities | 203,463 |
| Governmental Activities Depreciation Expense | \$3,252,391 |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

For the business-type activities of the City, which includes the water and sanitary sewer operations, the changes in capital assets were as follows:

| | Balance 1/1/ 2018 | Additions | Deletions | Balance 12/31/ 2018 |
|---|----------------------|--------------------|--------------------|------------------------|
| Business-Type Activities: | | | | |
| <i>Nondepreciable Capital Assets:</i> | | | | |
| Land | \$1,889,017 | \$0 | \$0 | \$1,889,017 |
| Construction in Progress | 154,394 | 0 | 0 | 154,394 |
| Total Nondepreciable Capital Assets | 2,043,411 | 0 | 0 | 2,043,411 |
| <i>Depreciable Capital Assets:</i> | | | | |
| Land Improvements | 277,921 | 0 | 0 | 277,921 |
| Buildings, Structures & Improvements | 5,116,048 | 5,747 | 0 | 5,121,795 |
| Plant & Facilities | 26,027,607 | 0 | 0 | 26,027,607 |
| Furniture, Fixtures, Equipment & Vehicles | 4,024,939 | 514,854 | (401,786) | 4,138,007 |
| Infrastructure | 31,828,766 | 382,300 | (414,412) | 31,796,654 |
| Total Depreciable Capital Assets | 67,275,281 | 902,901 | (816,198) | 67,361,984 |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Land Improvements | (277,401) | (520) | 0 | (277,921) |
| Buildings, Structures & Improvements | (2,976,076) | (169,407) | 0 | (3,145,483) |
| Plant & Facilities | (13,781,908) | (516,040) | 0 | (14,297,948) |
| Furniture, Fixtures, Equipment & Vehicles | (3,228,364) | (262,055) | 401,539 | (3,088,880) |
| Infrastructure | (13,449,900) | (630,515) | 119,039 | (13,961,376) |
| Total Accumulated Depreciation | (33,713,649) | (1,578,537) | 520,578 | (34,771,608) |
| Total Capital Assets Being Depreciated, Net | 33,561,632 | (675,636) | (295,620) | 32,590,376 |
| Business-Type Activities Capital Assets, Net | \$35,605,043 | (\$675,636) | (\$295,620) | \$34,633,787 |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2018 was as follows:

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

| | Balance 1/1/ 2018* | Additions | Deletions | Balance 12/31/ 2018 | Amount Due Within One Year |
|--|-----------------------|-----------|-------------|------------------------|----------------------------------|
| Governmental Activities: | | | | | |
| <i>General Obligation Refunding Bonds:</i> | | | | | |
| \$4,850,000, 1.00% - 4.00%, 2013 -2041 | | | | | |
| Serial Bonds | \$1,245,000 | \$0 | (\$300,000) | \$945,000 | \$315,000 |
| Term Bonds | 2,330,000 | 0 | 0 | 2,330,000 | 0 |
| Issuance Premium on Bonds | 14,469 | 0 | (4,253) | 10,216 | 0 |
| <i>General Obligation Bonds:</i> | | | | | |
| Garbage Truck Project | | | | | |
| | 130,000 | 0 | (65,000) | 65,000 | 65,000 |
| \$260,000, 2.00%, 2015-2019 | | | | | |
| Issuance Premium on Bonds | 2,617 | 0 | (1,308) | 1,309 | 0 |
| Street Improvement Project (2016) | 2,735,000 | 0 | (275,000) | 2,460,000 | 285,000 |
| \$3,000,000, 2.52%, 2016-2026 | | | | | |
| Issuance Premium on Bonds | 91,958 | 0 | (10,218) | 81,740 | 0 |
| Squad / Leaf Blower | | | | | |
| | 157,369 | 0 | (51,317) | 106,052 | 52,449 |
| 7 Police Cruisers (2016) | | | | | |
| | 113,209 | 0 | (56,604) | 56,605 | 56,605 |
| 7 Police Cruisers (2017) | | | | | |
| | 175,244 | 0 | (56,909) | 118,335 | 58,401 |
| Street Improvement Project (2017) | 1,490,000 | 0 | (190,000) | 1,300,000 | 205,000 |
| \$1,490,000, 2.49%, 2017-2024 | | | | | |
| Issuance Premium on Bonds | 58,722 | 0 | (8,389) | 50,333 | 0 |
| Street Sweeper | 175,000 | 0 | (35,000) | 140,000 | 35,000 |
| \$175,000, 2.49%, 2017-2024 | | | | | |
| Issuance Premium on Bonds | 5,331 | 0 | (1,066) | 4,265 | 0 |
| Garbage Truck | 165,000 | 0 | (25,000) | 140,000 | 30,000 |
| \$165,000, 2.49%, 2017-2024 | | | | | |
| Issuance Premium on Bonds | 5,134 | 0 | (1,027) | 4,107 | 0 |
| VCNB Loan -Squad | | | | | |
| | 25,000 | 0 | (25,000) | 0 | 0 |
| Police Cruisers/Squad 2018 | | | | | |
| | 0 | 297,889 | 0 | 297,889 | 59,778 |

(Continued)

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Balance 1/1/ 2018* | Additions | Deletions | Balance 12/31/ 2018 | Amount Due Within One Year |
|-------------------------------------|-----------------------|--------------------|----------------------|------------------------|----------------------------------|
| Governmental Activities: | | | | | |
| <i>Other Long-Term Obligations:</i> | | | | | |
| Compensated Absences | 1,944,668 | 890,874 | (845,505) | 1,990,037 | 796,988 |
| Capital Leases | 423,454 | 3,025 | (124,587) | 301,892 | 92,262 |
| Landfill Post-Closure Care | 150,448 | 0 | (42,797) | 107,651 | 53,876 |
| <i>Net Pension Liability-OPERS:</i> | | | | | |
| OPERS | 9,095,389 | 0 | (2,737,711) | 6,357,678 | 0 |
| OP&F | 16,973,762 | 0 | (83,367) | 16,890,395 | 0 |
| Total Net Pension Liability - OPERS | 26,069,151 | 0 | (2,821,078) | 23,248,073 | 0 |
| <i>Net OPEB Liability - OPERS:</i> | | | | | |
| OPERS | 3,980,534 | 344,898 | 0 | 4,325,432 | 0 |
| OP&F | 12,720,550 | 2,872,021 | 0 | 15,592,571 | 0 |
| Total Net Pension Liability-OPERS | 16,701,084 | 3,216,919 | 0 | 19,918,003 | 0 |
| Governmental Activities | | | | | |
| Long-Term Obligations | \$54,207,858 | \$4,408,707 | (\$4,940,058) | \$53,676,507 | \$2,105,359 |

*Restated

General obligation bonds issued for governmental activities of the City are retired from the General, Street Construction Maintenance & Repair, Bus Transit, Safety Levy Capital, and Police and Fire Pension Funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax levy within the limitations of Ohio law. These bonds are also backed by the full faith and credit of the City as additional security.

In September 2014, the City received a \$100,000 loan from Vinton County National Bank for the purpose of purchasing an emergency squad. The interest rate on this loan is 2.50%. This loan was repaid from the Safety Levy Capital Fund and the final payment was paid on September 15, 2018.

Compensated absences and net pension obligations will be paid from the fund from which the employees' salaries are paid, which include the General, Street Construction Maintenance & Repair, Parks & Recreation, Parking, and Bus Transit funds. Capital lease obligations will be paid from the fund that maintains custody of the related asset. The landfill post-closure care liability will be paid from the General Fund. The City pays obligations related to employee compensation from the fund benefitting from their service.

Refunding General Obligation Bonds - During fiscal year 2013, the City issued \$4,850,000 of general obligation bonds for the refunding of \$335,000 of the 1999 series bonds and retirement of \$4,540,000 of bond anticipation notes. The \$31,481 premium on the issuance of the refunding bonds is netted against this debt and is being amortized over the life of this debt. The refunding was undertaken to reduce total future debt service payments by \$41,469 and to obtain an economic gain of \$24,886 for the \$335,000 of bonds refunded. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

The Various Purpose Bonds maturing December 1, 2026 shall be subject to mandatory sinking fund

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

redemption in part on December 1, 2024 and December 1, 2025 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

| Redemption Dates (December 1) | Principal Amount To Be Redeemed |
|----------------------------------|------------------------------------|
| 2024 | \$125,000 |
| 2025 | 90,000 |

Unless otherwise called for redemption, the remaining \$95,000 principal amount of such Various Purpose Bonds shall be payable at stated maturity (December 1, 2026).

The Various Purpose Bonds maturing December 1, 2029 shall be subject to mandatory sinking fund redemption in part on December 1, 2027 and December 1, 2028 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

| Redemption Dates (December 1) | Principal Amount To Be Redeemed |
|----------------------------------|------------------------------------|
| 2027 | \$95,000 |
| 2028 | 105,000 |

Unless otherwise called for redemption, the remaining \$105,000 principal amount of such Various Purpose Bonds shall be payable at stated maturity (December 1, 2029).

The Various Purpose Bonds maturing December 1, 2032 shall be subject to mandatory sinking fund redemption in part on December 1, 2030 and December 1, 2031 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

| Redemption Dates (December 1) | Principal Amount To Be Redeemed |
|----------------------------------|------------------------------------|
| 2030 | \$110,000 |
| 2031 | 120,000 |

Unless otherwise called for redemption, the remaining \$120,000 principal amount of such Various Purpose Bonds shall be payable at stated maturity (December 1, 2032).

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

The Various Purpose Bonds maturing December 1, 2037 shall be subject to mandatory sinking fund redemption in part on December 1, 2033, December 1, 2034, December 1, 2035 and December 1, 2036 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

| Redemption Dates (December 1) | Principal Amount To Be Redeemed |
|----------------------------------|------------------------------------|
| 2033 | \$125,000 |
| 2034 | 130,000 |
| 2035 | 135,000 |
| 2036 | 145,000 |

Unless otherwise called for redemption, the remaining \$150,000 principal amount of such Various Purpose Bonds shall be payable at stated maturity (December 1, 2037).

The Various Purpose Bonds maturing December 1, 2041 shall be subject to mandatory sinking fund redemption in part on December 1, 2038, December 1, 2039 and December 1, 2040 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

| Redemption Dates (December 1) | Principal Amount To Be Redeemed |
|----------------------------------|------------------------------------|
| 2038 | \$160,000 |
| 2039 | 165,000 |
| 2040 | 175,000 |

Unless otherwise called for redemption, the remaining \$180,000 principal amount of such Various Purpose Bonds shall be payable at stated maturity (December 1, 2041).

General Obligation Bonds – During 2015, the City issued \$260,000 of general obligation bonds for the retirement of \$300,000 of bond anticipation notes that were issued to acquire a garbage truck. The premium of \$5,234 on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt. The bonds are retired through the General Fund using tax revenues.

General Obligation Bonds – During 2016, the City issued \$3,000,000 of general obligation bonds for the purpose of street improvement projects. The premium of \$102,175 on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt. The bonds are retired through the Street Construction Maintenance and Repair Fund using tax revenues.

General Obligation Bonds - In June 2016, the City issued \$226,417 of general obligation bonds for the purpose of purchasing 7 police vehicles. This bond will be retired through the Safety Levy Capital Fund using tax revenues.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

General Obligation Bonds - In October 2016, the City issued \$210,000 of general obligation bonds for the purpose of purchasing an emergency squad and two leaf vacuum machines. This bond will be retired through the General and Safety Levy Capital Funds using tax revenues.

General Obligation Bonds - In May 2017, the City issued \$235,000 of general obligation bonds for the purpose of purchasing 7 police vehicles. This bond will be retired through the Safety Levy Capital Fund using tax revenues.

General Obligation Bonds – During 2017, the City issued \$1,490,000 of general obligation bonds for the purpose of repaying the 2016 Street Construction Bond Anticipation Notes. The premium of \$58,722 on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt. The bonds are retired through the Street Construction Maintenance and Repair Fund using tax revenues.

General Obligation Bonds - In September 2017, the City issued \$175,000 of general obligation bonds for the purpose of purchasing a street sweeper. The premium of \$5,331 on the issuance of bonds is netted against this debt and is amortized over the life of this debt. This bond will be retired through the Street Construction Maintenance and Repair Fund using tax revenues.

General Obligation Bonds - In September 2017, the City issued \$165,000 of general obligation bonds for the purpose of purchasing a new garbage truck. The premium of \$5,134 on the issuance of bonds is netted against this debt and is amortized over the life of this debt. This bond will be retired through the General Fund using tax revenues.

General Obligation Bonds - In April 2018, the City issued \$297,889 of general obligation bonds for the purpose of purchasing a police cruiser and an emergency squad. This bond will be retired through the General and Safety Levy Capital Funds using tax revenues.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Business-Type Activities Bonds and Other Long-Term Obligations

| | Balance 1/1/ 2018* | Additions | Deletions | Balance 12/31/2018 | Amount Due Within One Year |
|--|-----------------------|------------------|----------------------|-----------------------|----------------------------------|
| Business-Type Activities: | | | | | |
| <i>General Obligation Refunding Bonds Payable:</i> | | | | | |
| \$1,670,000, 1.00% - 4.00%, 2013 - 2023 | \$795,000 | \$0 | (\$120,000) | \$675,000 | \$130,000 |
| Issuance Premium on Bonds | 14,894 | 0 | (2,482) | 12,412 | 0 |
| <i>General Obligation Bonds Payable:</i> | | | | | |
| ARMC Water Project Bond, 1.50% | 1,300,000 | 0 | (425,000) | 875,000 | 435,000 |
| Issuance Premium on Bonds | 24,838 | 0 | (8,279) | 16,559 | 0 |
| <i>Other Long-Term Obligations:</i> | | | | | |
| Compensated Absences | 694,378 | 258,172 | (208,743) | 743,807 | 309,265 |
| Capital Leases | 1,323 | 0 | (1,323) | 0 | 0 |
| <i>Net Pension Liability - OPERS:</i> | | | | | |
| Water | 2,049,039 | 0 | (616,453) | 1,432,586 | 0 |
| Sewer | 1,735,720 | 0 | (560,413) | 1,175,307 | 0 |
| Total Net Pension Liability - OPERS | 3,784,759 | 0 | (1,176,866) | 2,607,893 | 0 |
| <i>Net OPEB Liability - OPERS:</i> | | | | | |
| Water | 896,900 | 78,918 | 0 | 975,818 | 0 |
| Sewer | 759,919 | 40,651 | 0 | 800,570 | 0 |
| Total Net OPEB Liability - OPERS | 1,656,819 | 119,569 | 0 | 1,776,388 | 0 |
| Business-Type Activities | | | | | |
| Long-Term Obligations | \$8,272,011 | \$377,741 | (\$1,942,693) | \$6,707,059 | \$874,265 |

*Restated

General obligation bonds issued for business-type activities are retired through the respective enterprise funds. The City has pledged gross revenues to be derived from the City's water system, after provision of reasonable expenses of operation and maintenance of the system, and certain funds held by the City's trustee. General obligation bonds also require the City to generate revenues from the enterprise operations that are sufficient to meet debt service requirements.

Refunding General Obligation Bonds - During fiscal year 2013, the City issued \$1,670,000 of general obligation bonds for the refunding of \$1,220,000 of the 2003 series bonds and retirement of \$400,000 of bond anticipation notes. The \$24,823 premium on the issuance of the refunding bonds is netted against this debt and is being amortized over the life of this debt, which has the same remaining life of the refunded debt of 10 years with a final maturity of December 1, 2023. The refunding was undertaken to reduce total future debt service payments by \$28,915 and to obtain an economic gain of \$5,674 for the bonds refunded. The refunding bonds are retired through the Sewer Fund.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

During 2015, the City issued \$2,135,000 of general obligation bonds to retire the \$2,441,000 of bond anticipation notes. The bonds are retired through the Water Fund.

Compensated absences for business-type activities will be paid from the Water and Sewer funds. Capital lease obligations for business-type activities will be paid from the fund that maintains custody of the related asset. The City pays obligations related to employee compensation from the fund benefitting from their service.

Debt service requirements are as follows:

| For year ended December 31 | G.O. Refunding Bonds | | Garbage Truck G.O. Bonds | | Police Cruiser/Squad Loan | |
|-------------------------------|----------------------|--------------------|-----------------------------|----------------|---------------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$315,000 | \$128,013 | \$65,000 | \$1,300 | \$59,778 | \$8,621 |
| 2020 | 195,000 | 120,925 | 0 | 0 | 59,578 | 7,983 |
| 2021 | 200,000 | 115,563 | 0 | 0 | 59,578 | 5,988 |
| 2022 | 115,000 | 109,563 | 0 | 0 | 59,577 | 3,992 |
| 2023 | 120,000 | 106,113 | 0 | 0 | 59,378 | 1,996 |
| 2024-2028 | 510,000 | 464,360 | 0 | 0 | 0 | 0 |
| 2029-2033 | 580,000 | 359,301 | 0 | 0 | 0 | 0 |
| 2034-2038 | 720,000 | 221,825 | 0 | 0 | 0 | 0 |
| 2039-2041 | 520,000 | 48,794 | 0 | 0 | 0 | 0 |
| | <u>\$3,275,000</u> | <u>\$1,674,457</u> | <u>\$65,000</u> | <u>\$1,300</u> | <u>\$297,889</u> | <u>\$28,580</u> |

| For year ended December 31 | Street Improvement Project G.O. Bonds | | Squad/Leaf Blower Loan G.O. Bonds | | 7 Police Cruisers G.O. Bonds | |
|-------------------------------|--|------------------|--------------------------------------|----------------|---------------------------------|----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$285,000 | \$41,931 | \$52,449 | \$2,333 | \$56,605 | \$1,104 |
| 2020 | 290,000 | 41,256 | 53,603 | 1,182 | 0 | 0 |
| 2021 | 295,000 | 40,431 | 0 | 0 | 0 | 0 |
| 2022 | 305,000 | 39,531 | 0 | 0 | 0 | 0 |
| 2023 | 310,000 | 38,631 | 0 | 0 | 0 | 0 |
| 2024-2026 | 975,000 | 108,093 | 0 | 0 | 0 | 0 |
| | <u>\$2,460,000</u> | <u>\$309,873</u> | <u>\$106,052</u> | <u>\$3,515</u> | <u>\$56,605</u> | <u>\$1,104</u> |

| For year ended December 31 | 7 Police Cruisers G.O. Bonds | | Street Improvement Project G.O. Bonds | | Street Sweeper G.O. Bonds | | Garbage Truck G.O. Bonds | |
|-------------------------------|---------------------------------|----------------|--|------------------|------------------------------|----------------|-----------------------------|----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$58,401 | \$3,136 | \$205,000 | \$31,575 | \$35,000 | \$3,275 | \$30,000 | \$3,075 |
| 2020 | 59,934 | 1,589 | 210,000 | 27,475 | 35,000 | 2,575 | 35,000 | 2,475 |
| 2021 | 0 | 0 | 210,000 | 23,275 | 35,000 | 1,875 | 35,000 | 1,875 |
| 2022 | 0 | 0 | 220,000 | 18,025 | 35,000 | 875 | 40,000 | 1,000 |
| 2023 | 0 | 0 | 225,000 | 12,525 | 0 | 0 | 0 | 0 |
| 2024 | 0 | 0 | 230,000 | 6,900 | 0 | 0 | 0 | 0 |
| | <u>\$118,335</u> | <u>\$4,725</u> | <u>\$1,300,000</u> | <u>\$119,775</u> | <u>\$140,000</u> | <u>\$8,600</u> | <u>\$140,000</u> | <u>\$8,425</u> |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| For year ended December 31 | Sewer G.O. Refunding Bonds | | Water G.O. Bonds | |
|-------------------------------|----------------------------|-----------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2019 | \$130,000 | \$20,350 | \$435,000 | \$17,500 |
| 2020 | 130,000 | 17,425 | 440,000 | 8,800 |
| 2021 | 135,000 | 13,850 | 0 | 0 |
| 2022 | 140,000 | 9,800 | 0 | 0 |
| 2023 | 140,000 | 5,600 | 0 | 0 |
| | <u>\$675,000</u> | <u>\$67,025</u> | <u>\$875,000</u> | <u>\$26,300</u> |

NOTE 10 – CONDUIT DEBT OBLIGATIONS

In June 2017, the City issued, on behalf of the Adena Regional Medical Center (the Hospital), \$145,570,000 in Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2017. The proceeds of the Bonds were issued to (i) advance refund the outstanding hospital revenue bonds issued in 2008 by the County of Ross, Ohio for benefit of Adena, (ii) finance the acquisition, construction and equipping of additional Hospital Facilities on Adena’s campus, including major renovation of the Emergency Department, and (iii) pay certain costs of issuance of the Bonds.

The Bond is a special limited obligation of the Hospital, and is payable solely from and secured by revenues generated by the Hospital. Neither the City, County, State, nor any other political subdivision is obligated in any manner for the repayment of the bonds. Accordingly, the bonds will not be reported as a liability in the City’s financial statements.

As of December 31, 2018, the hospital revenue refunding bonds aggregated principal amount payable was \$145,570,000.

NOTE 11 - CAPITAL LEASES

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined generally as one which transfers benefits and risks of ownership to the lessee. Lease payments are made in accordance with the amortization schedule. At the end of the lease the City has the option of purchasing the asset or trade-in the asset for credit on another purchase. New capital leases are reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balance for governmental funds as a functional expenditure and “inception of capital lease.” Capital lease payments are reflected as debt service expenditures in the General, Bus Transit, Street Construction Maintenance & Repair, and Parks and Recreation funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$599,503 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2018 were \$124,587 in the governmental funds.

The City has also entered into a lease agreement in the Water Fund. The capital leased asset, consisting of equipment, has been capitalized in the amount of \$16,944 in the Water Fund and business-type activities. Principal payments in 2018 were \$1,323 in the Water Fund.

The City’s future minimum lease payments and present value of net minimum lease payments required under these capital lease obligations as of December 31, 2018 are as follows:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| Year Ended December 31, | Governmental Activities |
|-------------------------------------|----------------------------|
| 2019 | \$111,992 |
| 2020 | 105,581 |
| 2021 | 103,692 |
| 2022 | 20,677 |
| 2023 | 120 |
| Total Future Minimum Lease Payments | 342,062 |
| Less: Amount Representing Interest | (40,170) |
| Present Value of Net Minimum Lease | <u>\$301,892</u> |

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| Statutory Maximum Contribution Rates | State and Local | |
|---|------------------------|---------------|
| | 2018 | 2017 |
| Employer | 14.0 % | 14.0 % |
| Employee | 10.0 % | 10.0 % |
| Actual Contribution Rates | | |
| Employer: | | |
| Pension | 14.0 % | 13.0 % |
| Post-employment Health Care Benefits | 0.0 % | 1.0 % |
| Total Employer | <u>14.0 %</u> | <u>14.0 %</u> |
| Employee | <u>10.0 %</u> | <u>10.0 %</u> |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,185,030 for 2018. Of this amount, \$16,294 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivor. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2018 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2018 Actual Contribution Rates | | |
| Employer | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | <u>0.50</u> | <u>0.50</u> |
| Total Employer | <u>19.50 %</u> | <u>24.00 %</u> |
| Employee | <u>12.25 %</u> | <u>12.25 %</u> |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,329,082 for 2018 of this amount, \$21,699 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|-------------------|-------------------|--------------|
| Proportion of the Net Pension Liability: | | | |
| Current Measurement Date | 0.0571490% | 0.2752020% | |
| Prior Measurement Date | <u>0.0567200%</u> | <u>0.2679830%</u> | |
| Change in Proportionate Share | <u>0.0004290%</u> | <u>0.0072190%</u> | |
| Proportionate Share of the Net Pension Liability | \$8,965,570 | \$16,890,396 | \$25,855,966 |
| Pension Expense | \$2,038,155 | \$2,032,090 | \$4,070,245 |

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$9,156 | \$256,323 | \$265,479 |
| Changes of assumptions | 1,071,440 | 736,003 | 1,807,443 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 105,543 | 584,788 | 690,331 |
| City contributions subsequent to the measurement date | <u>1,185,030</u> | <u>1,329,082</u> | <u>2,514,112</u> |
| Total Deferred Outflows of Resources | <u>\$2,371,169</u> | <u>\$2,906,196</u> | <u>\$5,277,365</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$176,683 | \$30,556 | \$207,239 |
| Net difference between projected and actual earnings on pension plan investments | 1,924,790 | 584,280 | 2,509,070 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>25,496</u> | <u>343,327</u> | <u>368,823</u> |
| Total Deferred Inflows of Resources | <u>\$2,126,969</u> | <u>\$958,163</u> | <u>\$3,085,132</u> |

\$2,514,112 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| Year Ending December 31: | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|--------------------|------------------|--------------------|
| 2019 | \$844,405 | \$441,599 | \$1,286,004 |
| 2020 | (146,735) | 287,988 | 141,253 |
| 2021 | (847,575) | (317,185) | (1,164,760) |
| 2022 | (790,925) | (115,342) | (906,267) |
| 2023 | 0 | 260,730 | 260,730 |
| Thereafter | <u>0</u> | <u>61,161</u> | <u>61,161</u> |
| Total | <u>(\$940,830)</u> | <u>\$618,951</u> | <u>(\$321,879)</u> |

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017.

| | |
|--|--|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| <i>COLA or Ad Hoc COLA:</i> | |
| Pre-January 7, 2013 Retirees | 3 percent, simple |
| Post-January 7, 2013 Retirees | 3 percent, simple through 2018, then 2.15 percent, simple |
| Investment Rate of Return | 7.5 percent |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 23.00 % | 2.20 % |
| Domestic Equities | 19.00 | 6.37 |
| Real Estate | 10.00 | 5.26 |
| Private Equity | 10.00 | 8.97 |
| International Equities | 20.00 | 7.88 |
| Other investments | 18.00 | 5.26 |
| Total | 100.00 % | 5.66 % |

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | 1% Decrease 6.50% | Current Discount Rate 7.50% | 1% Increase 8.50% |
|--|----------------------|-----------------------------------|----------------------|
| City's proportionate share of the net pension liability | \$15,920,568 | \$8,965,570 | \$3,167,198 |

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, compared with January 1, 2016, are presented below:

| | January 1, 2017 | January 1, 2016 |
|----------------------------|--|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 | January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 8.0 percent | 8.25 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 4.25 percent to 11 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent | Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent | 3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 78 and up | 115% | 120% |

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 90% |

For the January 1, 2016 valuation, rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five year period ended January 1, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

| OP&F Asset Class | Target Allocation | Long Term Expected Rate of Return |
|------------------------------|----------------------|--------------------------------------|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 16.00 | 5.21 |
| Non-US Equity | 16.00 | 5.40 |
| Core Fixed Income * | 20.00 | 2.37 |
| Global Inflation Protected * | 20.00 | 2.33 |
| High Yield | 15.00 | 4.48 |
| Real Estate | 12.00 | 5.65 |
| Private Markets | 8.00 | 7.99 |
| Timber | 5.00 | 6.87 |
| Master Limited Partnerships | 8.00 | 7.36 |
| Total | 120.00 % | |

Note: Assumptions are geometric

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Discount Rate For 2017 the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$23,414,509 | \$16,890,396 | \$11,569,374 |

NOTE 13 –DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the Statement of Net Position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (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 health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required OPEB contribution was \$0 for 2018.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, 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 Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, 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 is 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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 the coverage selected.

The City's contractually required OPEB contribution to OP&F was \$31,276 for 2018. Of this amount, \$0 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|-------------------|-------------------|--------------|
| Proportion Share of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.0561900% | 0.2752020% | |
| Prior Measurement Date | 0.0558135% | 0.2679830% | |
| Change in Proportionate Share | <u>0.0003765%</u> | <u>0.0072190%</u> | |
| Proportionate Share of the Net OPEB Liability | \$6,101,820 | \$15,592,571 | \$21,694,391 |
| OPEB Expense | \$523,926 | \$1,262,179 | \$1,786,105 |

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$4,753 | \$0 | \$4,753 |
| Changes of Assumptions | 444,277 | 1,521,502 | 1,965,779 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 36,221 | 299,578 | 335,799 |
| City contributions subsequent to the measurement date | <u>0</u> | <u>31,276</u> | <u>31,276</u> |
| Total Deferred Outflows of Resources | <u>\$485,251</u> | <u>\$1,852,356</u> | <u>\$2,337,607</u> |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|------------------|------------------|------------------|
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$0 | \$78,643 | \$78,643 |
| Net difference between projected and actual earnings on pension plan investments | 454,545 | 102,638 | 557,183 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>10,329</u> | <u>0</u> | <u>10,329</u> |
| Total Deferred Inflows of Resources | <u>\$464,874</u> | <u>\$181,281</u> | <u>\$646,155</u> |

\$31,276 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|-----------------|--------------------|--------------------|
| Year Ending December 31: | | | |
| 2019 | \$113,426 | \$229,084 | \$342,510 |
| 2020 | 113,426 | 229,084 | 342,510 |
| 2021 | (92,838) | 229,084 | 136,246 |
| 2022 | (113,637) | 229,082 | 115,445 |
| 2023 | 0 | 254,743 | 254,743 |
| Thereafter | <u>0</u> | <u>468,722</u> | <u>468,722</u> |
| Total | <u>\$20,377</u> | <u>\$1,639,799</u> | <u>\$1,660,176</u> |

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|---|--|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current Measurement Date | 3.85 percent |
| Prior Measurement Date | 4.23 percent |
| Investment Rate of Return | 6.50 percent |
| Municipal Bond Rate | 3.31 percent |
| Health Care Cost Trend Rate | 7.5 percent, initial 3.25 percent, ultimate in 2028 |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long Term Expected Real Rate of Return</u> |
|------------------------------|------------------------------|--|
| Fixed Income | 34.00 % | 1.88 % |
| Domestic Equity | 21.00 | 6.37 |
| Real Estate Investment Trust | 6.00 | 5.91 |
| International Equities | 22.00 | 7.88 |
| Other Investments | 17.00 | 5.39 |
| Total | 100.00 % | 4.98 % |

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one percentage-point higher (4.85 percent) than the current rate:

| | <u>1% Decrease (2.85%)</u> | <u>Current Discount Rate (3.85%)</u> | <u>1% Increase (4.85%)</u> |
|---|--------------------------------|--|--------------------------------|
| City's proportionate share of the net OPEB liability | \$8,106,531 | \$6,101,820 | \$4,480,029 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

| | Current Health Care Cost Trend Rate | | |
|---|--|-------------------|--------------------|
| | <u>1% Decrease</u> | <u>Assumption</u> | <u>1% Increase</u> |
| City's proportionate share of the net OPEB liability | \$5,838,141 | \$6,101,820 | \$6,374,194 |

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

| | |
|----------------------------|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Single Discount Rate: | |
| Current measurement date | 3.24 percent |
| Prior measurement date | 3.79 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 78 and up | 115% | 120% |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 90% |

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|------------------------------|------------------------------|---|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 16.00 | 5.21 |
| Non-US Equity | 16.00 | 5.40 |
| Core Fixed Income * | 20.00 | 2.37 |
| Global Inflation Protected * | 20.00 | 2.33 |
| High Yield | 15.00 | 4.48 |
| Real Estate | 12.00 | 5.65 |
| Private Markets | 8.00 | 7.99 |
| Timber | 5.00 | 6.87 |
| Master Limited Partnerships | 8.00 | 7.36 |
| Total | <u>120.00 %</u> | |

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

| | <u>1% Decrease (2.24%)</u> | <u>Current Discount Rate (3.24%)</u> | <u>1% Increase (4.24%)</u> |
|---|--------------------------------|--|--------------------------------|
| City's proportionate share of the net OPEB liability | \$19,490,887 | \$15,592,571 | \$12,592,968 |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

| Year | <u>Non-Medicare</u> | <u>Non-AARP</u> | <u>AARP</u> | <u>Rx Drug</u> | <u>Medicare Part B</u> |
|----------------|---------------------|-----------------|-------------|----------------|----------------------------|
| 2017 | -0.47% | -2.50% | 4.50% | -0.47% | 5.20% |
| 2018 | 7.00% | 7.00% | 4.50% | 7.00% | 5.10% |
| 2019 | 6.50% | 6.50% | 4.50% | 6.50% | 5.00% |
| 2020 | 6.00% | 6.00% | 4.50% | 6.00% | 5.00% |
| 2021 | 5.50% | 5.50% | 4.50% | 5.50% | 5.00% |
| 2022 | 5.00% | 5.00% | 4.50% | 5.00% | 5.00% |
| 2023 and Later | 4.50% | 4.50% | 4.50% | 4.50% | 5.00% |

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

| | <u>1% Decrease</u> | <u>Current Rates</u> | <u>1% Increase</u> |
|---|--------------------|--------------------------|--------------------|
| City's proportionate share of the net OPEB liability | \$12,112,581 | \$15,592,571 | \$20,282,394 |

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

NOTE 14 - COMPENSATED ABSENCES

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

NOTE 15 - PROPERTY TAXES

Property taxes include amounts levied against real and public utility property. The assessed value by property classification upon which the 2018 tax levy was based follows:

| Property Tax Classification | Assessed Value |
|-----------------------------|----------------------|
| Real Property | \$394,846,980 |
| Public Utility Property | 31,781,860 |
| Total | <u>\$426,628,840</u> |

Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Presently, the City levies differing millages from 0.60 mills to 2.60 mills of the first 10 mills of assessed value for the General Fund, which is dependent upon the various taxing districts within the City. In addition to the 2.60 mills and 1.60 mills, the City has levied .30 and .30 mills of non-voted millage for the Police Pension and Fire Pension levies respectively.

In 2018, real property taxes were levied on January 1, 2018, on assessed values as of January 1, 2017, the lien date. Real estate taxes were due and payable on February 10 and July 7, 2018.

The County Treasurer collects property taxes on behalf of all taxing districts within the City. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Accrued property taxes receivable represent current taxes which were levied, measurable, and unpaid, as well as delinquent taxes outstanding as of December 31, 2018.

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 – TAX ABATEMENTS

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. The City has entered into such agreements. A description of the City's abatement programs where the City has promised to forego taxes follows:

Job Creation Tax Credit Program

Pursuant to ORC 718.15, tax credit for businesses that foster new jobs in Ohio, a city, by ordinance, may grant a refundable or nonrefundable credit against its tax on income to taxpayers to foster job creation in the city. Tax credits granted under this section of the ORC are measured as a percentage of the new income tax revenue the City derives from new employees of the taxpayer and are for a term not to exceed fifteen years. Tax credits are applied against the taxpayer's annual income tax filing. It is required that the City and the tax payer enter into an agreement specifying all of the conditions of the credit prior to passage of the ordinance granting the credit.

The City currently has Job Creation Tax Credit agreement with two local business (taxpayer). The tax credit percentage and term of the specific agreement is based upon the amount of new investment and the number of jobs created as a result of identified project. Job Creation Tax Credit agreements include specific language for refund of the credits should the terms of the agreement not be met by the taxpayer.

A summary of the taxes foregone on the City's abatement program for the year ended December 31, 2018 follows:

| Program | Tax Abated | Amount |
|---------------------------------|------------|---------|
| Job Creation Tax Credit Program | Income Tax | \$6,458 |

NOTE 17 - MUNICIPAL INCOME TAXES

The City levies an income tax of 2.0% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities. The income tax consists of a 1.0% general tax imposed without authority of an election; a 0.1% tax approved by voters in 1981 for the Bus Transit Fund; a 0.4% tax approved by voters in 1984 for the police and fire departments, with 0.1% being reserved for capital outlay; a 0.1% tax approved by voters in 1993 for the Parks & Recreation Fund, with 0.025% being reserved for capital outlay; and a 0.4% tax approved by voters in 2015, of which 0.2% was for street improvements and 0.2% was for safety services.

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

In 2018, these municipal income taxes generated a combined total of \$15,563,364 in local tax revenue.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 18 - INTERFUND ACTIVITY

As of December 31, 2018, receivables and payables that resulted from various interfund transactions were as follows:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-------------------------------------|----------------------------------|-------------------------------|
| Governmental Activities | | |
| General Fund | \$18,750 | \$110,000 |
| Street Construction | 0 | 13,178 |
| Bus Transit Fund | 5,678 | 3,750 |
| <i>Nonmajor Governmental Funds:</i> | | |
| Police Pension | 50,000 | 0 |
| Fire Pension | 60,000 | 0 |
| Safety Levy Capital | 0 | 3,750 |
| Parks and Recreation Capital | 0 | 3,750 |
| Total Nonmajor Governmental Funds | <u>110,000</u> | <u>7,500</u> |
| <i>Total</i> | <u><u>\$134,428</u></u> | <u><u>\$134,428</u></u> |

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

A summary of interfund transfers for 2018 are as follows:

| Transfers In | | | | | | |
|---|-------------------------|---|----------------------------------|--|------------------------|---------------------------|
| <u>Transfers Out</u> | <u>General</u> | <u>Nonmajor Special Revenue</u> | <u>Nonmajor Debt Service</u> | <u>Nonmajor Capital Projects</u> | <u>Sewer</u> | <u>Total</u> |
| General | \$0 | \$1,253,691 | \$0 | \$317 | \$30,000 | \$1,284,008 |
| Street Construction Maintenance & Repair | 47,500 | 0 | 94,061 | 0 | 0 | 141,561 |
| Bus Transit | 22,634 | 0 | 0 | 0 | 0 | 22,634 |
| Nonmajor Special Revenue Funds | 178,572 | 0 | 0 | 0 | 0 | 178,572 |
| Nonmajor Capital Projects Funds | 46,700 | 0 | 0 | 0 | 0 | 46,700 |
| Water | 678 | 0 | 0 | 0 | 0 | 678 |
| Sewer | 680 | 0 | 0 | 0 | 0 | 680 |
| Total | <u><u>\$296,764</u></u> | <u><u>\$1,253,691</u></u> | <u><u>\$94,061</u></u> | <u><u>\$317</u></u> | <u><u>\$30,000</u></u> | <u><u>\$1,674,833</u></u> |

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

In 2018, the City made transfers of \$1,284,008 from the General Fund to various Nonmajor Special Revenue Funds, Nonmajor Capital Project Funds and the Sewer Fund to subsidize the programs of those funds.

NOTE 19 - ROSS COUNTY AND CHILLICOTHE LAW ENFORCEMENT COMPLEX

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

NOTE 20 - LANDFILL CLOSURE AND POST CLOSURE CARE

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

In 2018, the City incurred \$45,433 in post closure care costs and decreased its postclosure care liability by \$42,797, which is a change in estimate. To this date, the City has incurred approximately \$2,598,160 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

The City has accrued a liability for landfill post-closure care costs of \$107,651. The liability is based on an average of cumulative postclosure care costs to this date projected over the next two years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability is provided through the General Fund where transfers will be made over the next two years.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 21 – FUND CASH BALANCES

As of December 31, 2018 fund balances are composed of the following:

| | General Fund | Street Fund | Bus Transit Fund | All Other Governmental Funds | Total Governmental Funds |
|---------------------------|----------------|------------------|------------------|------------------------------|--------------------------|
| <i>Nonspendable:</i> | | | | | |
| Prepaid Items | \$360,506 | \$10,997 | \$107,798 | \$25,338 | \$504,639 |
| Materials and Supplies | 45,043 | 11,834 | 21,442 | 0 | 78,319 |
| Unclaimed Monies | 102,950 | 0 | 0 | 0 | 102,950 |
| Carlisle Hill Trust | 0 | 0 | 0 | 1,000 | 1,000 |
| <i>Total Nonspendable</i> | <u>508,499</u> | <u>22,831</u> | <u>129,240</u> | <u>26,338</u> | <u>686,908</u> |
| <i>Restricted:</i> | | | | | |
| Bus Transit | 0 | 0 | 627,647 | 0 | 627,647 |
| Street Construction | 0 | 2,464,489 | 0 | 0 | 2,464,489 |
| State Highway | 0 | 0 | 0 | 299,926 | 299,926 |
| Parks & Recreation | 0 | 0 | 0 | 296,377 | 296,377 |
| HUD | 0 | 0 | 0 | 79,940 | 79,940 |
| State Grants | 0 | 0 | 0 | 143,361 | 143,361 |
| Law Enforcement | 0 | 0 | 0 | 56,877 | 56,877 |
| Indigent Drivers | 0 | 0 | 0 | 252,647 | 252,647 |
| OMVI | 0 | 0 | 0 | 21,057 | 21,057 |
| Mandatory Drug Fines | 0 | 0 | 0 | 2,889 | 2,889 |
| Parking | 0 | 0 | 0 | 33,033 | 33,033 |
| Police Pension | 0 | 0 | 0 | 5,473 | 5,473 |
| Fire Pension | 0 | 0 | 0 | 5,964 | 5,964 |
| Bond Retirement | 0 | 0 | 0 | 110,707 | 110,707 |
| Capital Improvement | 0 | 0 | 0 | 32,000 | 32,000 |
| Safety Levy Capital | 0 | 0 | 0 | 475,585 | 475,585 |
| Parks & Rec Capital | 0 | 0 | 0 | 186,591 | 186,591 |
| Carlisle Hill Trust | 0 | 0 | 0 | 2,340 | 2,340 |
| <i>Total Restricted</i> | <u>0</u> | <u>2,464,489</u> | <u>627,647</u> | <u>2,004,767</u> | <u>5,096,903</u> |

(Continued)

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | General Fund | Street Fund | Bus Transit Fund | All Other Governmental Funds | Total Governmental Funds |
|-----------------------------|--------------|-------------|------------------|------------------------------|--------------------------|
| <i>Committed:</i> | | | | | |
| Floodwall | 28,594 | 0 | 0 | 0 | 28,594 |
| Income Tax Refunds | 2,360 | 0 | 0 | 0 | 2,360 |
| Streetscape | 23,324 | 0 | 0 | 0 | 23,324 |
| <i>Total Committed</i> | 54,278 | 0 | 0 | 0 | 54,278 |
| <i>Assigned:</i> | | | | | |
| Landfill Closure | 11,420 | 0 | 0 | 0 | 11,420 |
| Cablevision | 0 | 0 | 0 | 5,765 | 5,765 |
| <i>Total Assigned</i> | 11,420 | 0 | 0 | 5,765 | 17,185 |
| <i>Unassigned (Deficit)</i> | 4,256,839 | 0 | 0 | 0 | 4,256,839 |
| <i>Total Balances</i> | \$4,831,036 | \$2,487,320 | \$756,887 | \$2,036,870 | \$10,112,113 |

NOTE 22 – ENCUMBRANCE COMMITMENTS

As of December 31, 2018, the City had encumbrance commitments in the Governmental Funds as follows:

| | |
|--|-----------|
| <u>Major Funds</u> | |
| General | \$38,155 |
| Street Construction Maintenance and Repair | 360,232 |
| <u>Nonmajor Funds</u> | |
| State Highway | 100,000 |
| Safety Levy Capital | 24,504 |
| Total Nonmajor Funds | 124,504 |
| Total Encumbrances | \$522,891 |

NOTE 23 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, destruction of assets, errors and omissions, employee injuries, and natural disasters. The City has addressed these various types of risk by purchasing insurance through commercial carriers. The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

In addition, the City maintains replacement cost insurance on buildings and contents in the amount of \$73,761,116. Other property insurance includes \$348,250 unscheduled and \$2,548,643 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$73,761,116. Insurance deductibles on any of the above coverage do not exceed \$10,000.

The City participates in the Workers' Compensation Program provided by the State of Ohio. The City utilizes TARTAN Benefits as a third-party administrator.

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

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

The City has had no significant reductions in any of its insurance coverage from that maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

NOTE 24 - CONTINGENCIES

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

Additionally, there are currently no material claims or lawsuits pending against the City with either the Law Director or other outside attorneys.

NOTE 25 – FISCAL ANALYSIS

In November 2018, the Auditor of State released the City from fiscal caution after spending six years in that category.

NOTE 26 – SUBSEQUENT EVENTS

In April 2019, the City entered into a lease obligation in the principal amount of \$495,500 with Huntington Bank. This obligation included the purchase of 2 police cruisers, a canine unit, radio equipment and a computer-aided design system. A down payment of \$124,040 was already appropriated and included in the 2019 Capital Budget. The financing for the radio equipment and police cruisers will consist of four annual fixed principal and interest payments with the first payment being due in June 2020. The financing for the computer-aided design system will consist of seven annual fixed principal and interest payments with the first payment being due in June 2020.

Required Supplementary Information

City of Chillicothe, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of Net Pension/OPEB Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|--------------|-------------|-------------|-------------|
| <u><i>Pension (1)</i></u> | | | | | |
| City's Proportion of the Net Pension Liability | 0.057149% | 0.056720% | 0.057188% | 0.055014% | 0.055014% |
| City's Proportionate Share of the Net Pension Liability | \$8,965,570 | \$12,880,147 | \$9,905,683 | \$6,635,303 | \$6,485,434 |
| City Covered Payroll | \$7,983,600 | \$7,420,000 | \$7,379,121 | \$7,645,907 | \$8,434,393 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 112.30% | 173.59% | 134.24% | 86.78% | 76.89% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |
| <u><i>OPEB (2)</i></u> | | | | | |
| City's Proportion of the Net OPEB Liability | 0.056190% | 0.0558135% | N/A | N/A | N/A |
| City's Proportionate Share of the Net OPEB Liability | \$6,101,820 | \$5,637,353 | N/A | N/A | N/A |
| City Covered Payroll | \$7,983,600 | \$7,420,000 | N/A | N/A | N/A |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 76.43% | 75.98% | N/A | N/A | N/A |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 54.14% | 54.05% | N/A | N/A | N/A |

(1) Information prior to 2014 is not available.

(2) Information prior to 2017 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year.

City of Chillicothe, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of Net Pension Liability
Ohio Police and Fire Pension Fund
Last Five Years (1)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|
| <u><i>OP&F - Police</i></u> | | | | | |
| City's Proportion of the Net Pension Liability | 0.1232690% | 0.1203590% | 0.1160740% | 0.1170453% | 0.1170453% |
| City's Proportionate Share of the Net Pension Liability | \$7,565,604 | \$7,623,417 | \$7,467,091 | \$6,063,435 | \$5,700,473 |
| City Covered Payroll | \$2,994,047 | \$2,783,882 | \$2,544,268 | \$2,454,862 | \$2,693,303 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 252.69% | 273.84% | 293.49% | 247.00% | 211.65% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.91% | 68.36% | 66.77% | 72.20% | 73.00% |
| <u><i>OP&F - Fire</i></u> | | | | | |
| City's Proportion of the Net Pension Liability | 0.1519330% | 0.1476240% | 0.1448150% | 0.1567050% | 0.1567050% |
| City's Proportionate Share of the Net Pension Liability | \$9,324,792 | \$9,350,346 | \$9,316,063 | \$8,117,972 | \$7,632,025 |
| City Covered Payroll | \$2,997,146 | \$2,763,179 | \$2,583,332 | \$2,511,146 | \$2,620,016 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 311.12% | 338.39% | 360.62% | 323.28% | 291.30% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.91% | 68.36% | 66.77% | 72.20% | 73.00% |

(1) Information prior to 2014 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year.

City of Chillicothe, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

| | 2018 | 2017 |
|--|-------------|-------------|
| <u><i>OP&F - Police</i></u> | | |
| City's Proportion of the Net OPEB Liability | 0.1232690% | 0.1203590% |
| City's Proportionate Share of the Net OPEB Liability | \$6,984,277 | \$5,713,171 |
| City Covered Payroll | \$2,994,047 | \$2,783,882 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 233.27% | 205.22% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 14.13% | 15.96% |
| <u><i>OP&F - Fire</i></u> | | |
| City's Proportion of the Net OPEB Liability | 0.1519330% | 0.1476240% |
| City's Proportionate Share of the Net OPEB Liability | \$8,608,294 | \$7,007,379 |
| City Covered Payroll | \$2,997,146 | \$2,763,179 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 287.22% | 253.60% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 14.13% | 15.96% |

(1) Information prior to 2017 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year.

City of Chillicothe, Ohio
Required Supplementary Information
Schedule of City's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|-------------------|-------------------|
| <i><u>Pension</u></i> (1) | | | | |
| Contractually Required Contribution | \$1,185,030 | \$1,037,868 | \$890,400 | \$885,495 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,185,030)</u> | <u>(1,037,868)</u> | <u>(890,400)</u> | <u>(885,495)</u> |
| Contribution Deficiency (Excess) | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| City Covered Payroll | \$8,464,500 | \$7,983,600 | \$7,420,000 | \$7,379,121 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 13.00% | 12.00% | 12.00% |
| <i><u>OPEB</u></i> (2) | | | | |
| Contractually Required Contribution | \$0 | \$79,836 | \$148,400 | \$147,582 |
| Contributions in Relation to the Contractually Required Contribution | <u>0</u> | <u>(79,836)</u> | <u>(148,400)</u> | <u>(147,582)</u> |
| Contribution Deficiency (Excess) | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| City Covered Payroll | \$8,464,500 | \$7,983,600 | \$7,420,000 | \$7,379,121 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 1.00% | 2.00% | 2.00% |

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------|--------------------|------------------|------------------|------------------|------------------|
| \$917,509 | \$1,096,471 | \$837,949 | \$726,806 | \$685,089 | \$657,185 |
| <u>(917,509)</u> | <u>(1,096,471)</u> | <u>(837,949)</u> | <u>(726,806)</u> | <u>(685,089)</u> | <u>(657,185)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$7,645,907 | \$8,434,393 | \$8,379,486 | \$7,268,064 | \$7,612,100 | \$7,731,593 |
| 12.00% | 13.00% | 10.00% | 10.00% | 9.00% | 8.50% |
| \$152,918 | \$84,344 | \$335,179 | \$290,723 | \$380,605 | \$425,238 |
| <u>(152,918)</u> | <u>(84,344)</u> | <u>(335,179)</u> | <u>(290,723)</u> | <u>(380,605)</u> | <u>(425,238)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$7,645,907 | \$8,434,393 | \$8,379,486 | \$7,268,064 | \$7,612,100 | \$7,731,593 |
| 2.00% | 1.00% | 4.00% | 4.00% | 5.00% | 5.50% |

City of Chillicothe, Ohio
Required Supplementary Information
Schedule of City's Pension Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|------------------|------------------|
| <i><u>OP&F - Police</u></i> | | | | |
| Contractually Required Contribution | \$594,719 | \$568,869 | \$528,938 | \$483,411 |
| Contributions in Relation to the Contractually Required Contribution | <u>(594,719)</u> | <u>(568,869)</u> | <u>(528,938)</u> | <u>(483,411)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$3,130,103 | \$2,994,047 | \$2,783,882 | \$2,544,268 |
| Contributions as a Percentage of Covered Payroll | 19.00% | 19.00% | 19.00% | 19.00% |
| <i><u>OP&F - Fire</u></i> | | | | |
| Contractually Required Contribution | \$734,363 | \$704,329 | \$649,347 | \$607,083 |
| Contributions in Relation to the Contractually Required Contribution | <u>(734,363)</u> | <u>(704,329)</u> | <u>(649,347)</u> | <u>(607,083)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$3,124,950 | \$2,997,146 | \$2,763,179 | \$2,583,332 |
| Contributions as a Percentage of Covered Payroll | 23.50% | 23.50% | 23.50% | 23.50% |

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$466,424 | \$448,435 | \$349,232 | \$352,043 | \$341,738 | \$343,396 |
| <u>(466,424)</u> | <u>(448,435)</u> | <u>(349,232)</u> | <u>(352,043)</u> | <u>(341,738)</u> | <u>(343,396)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$2,454,862 | \$2,693,303 | \$2,739,072 | \$2,761,118 | \$2,680,297 | \$2,693,303 |
| 19.00% | 15.88% | 12.75% | 12.75% | 12.75% | 12.75% |
| \$590,119 | \$554,133 | \$459,633 | \$463,333 | \$449,770 | \$451,953 |
| <u>(590,119)</u> | <u>(554,133)</u> | <u>(459,633)</u> | <u>(463,333)</u> | <u>(449,770)</u> | <u>(451,953)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$2,511,146 | \$2,620,016 | \$2,664,539 | \$2,685,988 | \$2,607,363 | \$2,620,016 |
| 23.50% | 20.38% | 17.25% | 17.25% | 17.25% | 17.25% |

City of Chillicothe, Ohio
Required Supplementary Information
Schedule of City's OPEB Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| <u><i>OP&F - Police</i></u> | | | | |
| Contractually Required Contribution | \$15,651 | \$14,970 | \$13,919 | \$12,721 |
| Contributions in Relation to the Contractually Required Contribution | <u>(15,651)</u> | <u>(14,970)</u> | <u>(13,919)</u> | <u>(12,721)</u> |
| Contribution Deficiency (Excess) | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| City Covered Payroll | \$3,130,103 | \$2,994,047 | \$2,783,882 | \$2,544,268 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% |
| <u><i>OP&F - Fire</i></u> | | | | |
| Contractually Required Contribution | \$15,625 | \$14,986 | \$13,816 | \$12,917 |
| Contributions in Relation to the Contractually Required Contribution | <u>(15,625)</u> | <u>(14,986)</u> | <u>(13,816)</u> | <u>(12,917)</u> |
| Contribution Deficiency (Excess) | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| City Covered Payroll | \$3,124,950 | \$2,997,146 | \$2,763,179 | \$2,583,332 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% |

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-----------------|-----------------|------------------|------------------|------------------|------------------|
| \$12,274 | \$97,498 | \$184,887 | \$186,375 | \$180,920 | \$181,798 |
| <u>(12,274)</u> | <u>(97,498)</u> | <u>(184,887)</u> | <u>(186,375)</u> | <u>(180,920)</u> | <u>(181,798)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$2,454,862 | \$2,693,303 | \$2,739,072 | \$2,761,118 | \$2,680,297 | \$2,693,303 |
| 0.50% | 3.62% | 6.75% | 6.75% | 6.75% | 6.75% |
| \$12,556 | \$94,845 | \$179,856 | \$181,304 | \$175,997 | \$176,851 |
| <u>(12,556)</u> | <u>(94,845)</u> | <u>(179,856)</u> | <u>(181,304)</u> | <u>(175,997)</u> | <u>(176,851)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$2,511,146 | \$2,620,016 | \$2,664,539 | \$2,685,988 | \$2,607,363 | \$2,620,016 |
| 0.50% | 3.62% | 6.75% | 6.75% | 6.75% | 6.75% |

CITY OF CHILLICOTHE, OHIO
Notes to the Required Supplementary Information
For the Fiscal Year Ended December 31, 2018

NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (TRADITIONAL PLAN)

Pension

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in Assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25% - 10.02% to 3.25% - 10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Other Postemployment Benefits

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%.

NOTE 2 – OHIO POLICE AND FIRE PENSION FUND

Pension

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in Assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% - 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

CITY OF CHILLICOTHE, OHIO
Notes to the Required Supplementary Information
For the Fiscal Year Ended December 31, 2018

NOTE 2 - OHIO POLICE AND FIRE PENSION FUND - Continued

Other Postemployment Benefits

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 3.79% to 3.24%.

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

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

State Highway Fund

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

Parks and Recreation Fund

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

HUD Fund

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

Grants Fund

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

Cablevision Fund

To account for monies received for the purpose of maintenance and repair of the cable system as provided for in the cable franchise agreement.

Law Enforcement Fund

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

Indigent Drivers Alcohol Treatment Fund

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

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

OMVI Enforcement & Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

Police Pension Fund

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

Fire Pension Fund

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

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR BOND RETIREMENT FUND

The bond retirement fund is used to account for the accumulation of resources for, and the payment of principal and interest on general obligation bonds. Since this is the only debt service fund, no combining statements are presented for the debt service fund.

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Improvement Fund

To account for funds received for the purpose of making capital improvements and for purchases of capital equipment.

Issue II Fund

To account for revenue from the State that is used for various street projects.

Safety Levy Capital Fund

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

Parks and Recreation Capital Fund

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

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR PERMANENT FUND

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

Carlisle Hill Fund

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

FUNDS REPORTED SEPARATELY FOR BUDGETARY PURPOSES

The following funds have been combined with the General Fund for reporting in accordance with accounting principles generally accepted in the United States of America. However, their budgets are reported separately in this section for accountability purposes.

Floodwall Fund

To account for income tax proceeds transferred from the General Fund for the maintenance of a floodwall. The transfers are made per ordinance requirements. One quarter of one percent (0.25%) is to be transferred into the fund until the fund reaches a balance of sixty thousand dollars transferred per year.

Income Tax Fund

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

Landfill Closure

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

Streetscape

To account for streetscape maintenance expenses, which are covered by transfers from the General Fund.

Unclaimed Monies

To account for assets held for owners of unclaimed intangible property. Unclaimed property is property for which the owner has not taken some action to indicate ownership interest over a certain period of time specified under Chapter 169, Ohio Revised Code.

City of Chillicothe, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|--|---|-------------------------------------|--|-------------------------------|--|
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,045,824 | \$110,707 | \$650,733 | \$2,340 | \$1,809,604 |
| Cash and Cash Equivalents in Segregated Accounts | 1,031 | 0 | 0 | 0 | 1,031 |
| Investments in City Treasury | 0 | 0 | 0 | 1,000 | 1,000 |
| Interfund Receivable | 110,000 | 0 | 0 | 0 | 110,000 |
| Intergovernmental Receivable | 176,742 | 0 | 480,000 | 0 | 656,742 |
| Income Taxes Receivable | 93,198 | 0 | 155,330 | 0 | 248,528 |
| Property Taxes Receivable | 245,170 | 0 | 0 | 0 | 245,170 |
| Prepaid Items | 17,257 | 0 | 8,081 | 0 | 25,338 |
| <i>Total Assets</i> | <u>\$1,689,222</u> | <u>\$110,707</u> | <u>\$1,294,144</u> | <u>\$3,340</u> | <u>\$3,097,413</u> |
| Liabilities: | | | | | |
| Accounts Payable | \$26,677 | \$0 | \$27,911 | \$0 | \$54,588 |
| Accrued Wages and Benefits | 4,851 | 0 | 0 | 0 | 4,851 |
| Intergovernmental Payable | 107,956 | 0 | 0 | 0 | 107,956 |
| Interfund Payable | 0 | 0 | 7,500 | 0 | 7,500 |
| <i>Total Liabilities</i> | <u>139,484</u> | <u>0</u> | <u>35,411</u> | <u>0</u> | <u>174,895</u> |
| Deferred Inflows of Resources | <u>329,172</u> | <u>0</u> | <u>556,476</u> | <u>0</u> | <u>885,648</u> |
| Fund Balances: | | | | | |
| Nonspendable | 17,257 | 0 | 8,081 | 1,000 | 26,338 |
| Restricted | 1,197,544 | 110,707 | 694,176 | 2,340 | 2,004,767 |
| Assigned | 5,765 | 0 | 0 | 0 | 5,765 |
| <i>Total Fund Balances</i> | <u>1,220,566</u> | <u>110,707</u> | <u>702,257</u> | <u>3,340</u> | <u>2,036,870</u> |
| <i>Total Liabilities, Deferred Inflows and Fund Balances</i> | <u>\$1,689,222</u> | <u>\$110,707</u> | <u>\$1,294,144</u> | <u>\$3,340</u> | <u>\$3,097,413</u> |

City of Chillicothe, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|---|---|-------------------------------------|--|-------------------------------|--|
| Revenues: | | | | | |
| Property Taxes | \$232,402 | \$0 | \$0 | \$0 | \$232,402 |
| Income Taxes | 578,951 | 0 | 964,914 | 0 | 1,543,865 |
| Charges for Services | 111,060 | 0 | 0 | 0 | 111,060 |
| Fines, Licenses, and Permits | 40,506 | 0 | 0 | 0 | 40,506 |
| Intergovernmental | 364,566 | 0 | 174,573 | 0 | 539,139 |
| Interest | 8 | 0 | 9 | 15 | 32 |
| Contributions and Donations | 6,800 | 0 | 7,767 | 0 | 14,567 |
| Other | 45,811 | 0 | 14,515 | 0 | 60,326 |
| <i>Total Revenues</i> | <u>1,380,104</u> | <u>0</u> | <u>1,161,778</u> | <u>15</u> | <u>2,541,897</u> |
| Expenditures: | | | | | |
| <i>Current:</i> | | | | | |
| <i>Security of Persons and Property:</i> | | | | | |
| Police | 658,852 | 0 | 0 | 0 | 658,852 |
| Fire | 752,397 | 0 | 0 | 0 | 752,397 |
| Transportation | 261,013 | 0 | 0 | 0 | 261,013 |
| Leisure Time Services | 780,745 | 0 | 0 | 0 | 780,745 |
| Capital Outlay | 0 | 0 | 1,046,455 | 0 | 1,046,455 |
| <i>Debt Service:</i> | | | | | |
| Principal Retirements | 31,053 | 0 | 264,830 | 0 | 295,883 |
| Interest and Fiscal Charges | 7,334 | 0 | 17,576 | 0 | 24,910 |
| <i>Total Expenditures</i> | <u>2,491,394</u> | <u>0</u> | <u>1,328,861</u> | <u>0</u> | <u>3,820,255</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,111,290)</u> | <u>0</u> | <u>(167,083)</u> | <u>15</u> | <u>(1,278,358)</u> |
| Other Financing Sources and Uses: | | | | | |
| Proceeds from Sale of Capital Assets | 15,252 | 0 | 0 | 0 | 15,252 |
| Issuance of General Obligation Bonds | 0 | 0 | 297,889 | 0 | 297,889 |
| Transfers In | 1,253,691 | 94,061 | 317 | 0 | 1,348,069 |
| Transfers Out | (178,572) | 0 | (46,700) | 0 | (225,272) |
| <i>Total Other Financing Sources and Uses</i> | <u>1,090,371</u> | <u>94,061</u> | <u>251,506</u> | <u>0</u> | <u>1,435,938</u> |
| <i>Net Change in Fund Balance</i> | <u>(20,919)</u> | <u>94,061</u> | <u>84,423</u> | <u>15</u> | <u>157,580</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>1,241,485</u> | <u>16,646</u> | <u>617,834</u> | <u>3,325</u> | <u>1,879,290</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$1,220,566</u></u> | <u><u>\$110,707</u></u> | <u><u>\$702,257</u></u> | <u><u>\$3,340</u></u> | <u><u>\$2,036,870</u></u> |

City of Chillicothe, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

| | State Highway | Parks & Recreation | HUD | State Grants | Cablevision |
|--|------------------|-----------------------|-----------------|------------------|----------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$287,840 | \$282,713 | \$13,486 | \$93,133 | \$5,765 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 0 | 0 | 0 | 0 |
| Interfund Receivable | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 36,258 | 0 | 66,454 | 50,228 | 0 |
| Income Taxes Receivable | 0 | 93,198 | 0 | 0 | 0 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 0 | 14,642 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$324,098</u> | <u>\$390,553</u> | <u>\$79,940</u> | <u>\$143,361</u> | <u>\$5,765</u> |
| Liabilities: | | | | | |
| Accounts Payable | \$0 | \$25,821 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 0 | 3,547 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 4,280 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>33,648</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Deferred Inflows of Resources | <u>24,172</u> | <u>45,886</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balances: | | | | | |
| Nonspendable | 0 | 14,642 | 0 | 0 | 0 |
| Restricted | 299,926 | 296,377 | 79,940 | 143,361 | 0 |
| Assigned | 0 | 0 | 0 | 0 | 5,765 |
| <i>Total Fund Balances</i> | <u>299,926</u> | <u>311,019</u> | <u>79,940</u> | <u>143,361</u> | <u>5,765</u> |
| <i>Total Liabilities, Deferred Inflows and Fund Balances</i> | <u>\$324,098</u> | <u>\$390,553</u> | <u>\$79,940</u> | <u>\$143,361</u> | <u>\$5,765</u> |

continued

| Law Enforcement | Indigent Driver's Alcohol Treatment | OMVI Enforcement & Education | Mandatory Drug Fines | Parking | Police Pension | Fire Pension | Total Nonmajor Special Revenue Funds |
|--------------------|--|------------------------------------|----------------------------|-----------------|-------------------|------------------|--|
| \$57,050 | \$242,663 | \$21,013 | \$2,711 | \$35,644 | \$1,903 | \$1,903 | \$1,045,824 |
| 0 | 809 | 44 | 178 | 0 | 0 | 0 | 1,031 |
| 0 | 0 | 0 | 0 | 0 | 50,000 | 60,000 | 110,000 |
| 683 | 9,175 | 0 | 0 | 0 | 6,972 | 6,972 | 176,742 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 93,198 |
| 0 | 0 | 0 | 0 | 0 | 122,585 | 122,585 | 245,170 |
| 225 | 0 | 0 | 0 | 2,390 | 0 | 0 | 17,257 |
| <u>\$57,958</u> | <u>\$252,647</u> | <u>\$21,057</u> | <u>\$2,889</u> | <u>\$38,034</u> | <u>\$181,460</u> | <u>\$191,460</u> | <u>\$1,689,222</u> |
| \$856 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$26,677 |
| 0 | 0 | 0 | 0 | 1,304 | 0 | 0 | 4,851 |
| 0 | 0 | 0 | 0 | 1,307 | 46,430 | 55,939 | 107,956 |
| <u>856</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,611</u> | <u>46,430</u> | <u>55,939</u> | <u>139,484</u> |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>129,557</u> | <u>129,557</u> | <u>329,172</u> |
| 225 | 0 | 0 | 0 | 2,390 | 0 | 0 | 17,257 |
| 56,877 | 252,647 | 21,057 | 2,889 | 33,033 | 5,473 | 5,964 | 1,197,544 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,765 |
| <u>57,102</u> | <u>252,647</u> | <u>21,057</u> | <u>2,889</u> | <u>35,423</u> | <u>5,473</u> | <u>5,964</u> | <u>1,220,566</u> |
| <u>\$57,958</u> | <u>\$252,647</u> | <u>\$21,057</u> | <u>\$2,889</u> | <u>\$38,034</u> | <u>\$181,460</u> | <u>\$191,460</u> | <u>\$1,689,222</u> |

City of Chillicothe, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

| | State Highway | Parks & Recreation | HUD | State Grants | Cablevision |
|---|------------------|-----------------------|-----------------|------------------|----------------|
| Revenues: | | | | | |
| Property Taxes | \$0 | \$0 | \$0 | \$0 | \$0 |
| Income Taxes | 0 | 578,951 | 0 | 0 | 0 |
| Charges for Services | 0 | 102,565 | 0 | 0 | 0 |
| Fines, Licenses, and Permits | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 78,655 | 0 | 18,750 | 229,016 | 0 |
| Interest | 0 | 7 | 1 | 0 | 0 |
| Contributions and Donations | 0 | 6,800 | 0 | 0 | 0 |
| Other | 0 | 30,757 | 8,856 | 0 | 0 |
| <i>Total Revenues</i> | <u>78,655</u> | <u>719,080</u> | <u>27,607</u> | <u>229,016</u> | <u>0</u> |
| Expenditures: | | | | | |
| <i>Current:</i> | | | | | |
| <i>Security of Persons and Property:</i> | | | | | |
| Police | 0 | 0 | 0 | 0 | 0 |
| Fire | 0 | 0 | 0 | 0 | 0 |
| Transportation | 47,059 | 0 | 0 | 0 | 0 |
| Leisure Time Services | 0 | 780,745 | 0 | 0 | 0 |
| <i>Debt Service:</i> | | | | | |
| Principal Retirements | 0 | 1,053 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 334 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>47,059</u> | <u>782,132</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>31,596</u> | <u>(63,052)</u> | <u>27,607</u> | <u>229,016</u> | <u>0</u> |
| Other Financing Sources and Uses | | | | | |
| Proceeds from Sale of Capital Assets | 0 | 15,252 | 0 | 0 | 0 |
| Transfers In | 0 | 9,800 | 0 | 0 | 0 |
| Transfers Out | 0 | (114) | 0 | (178,458) | 0 |
| <i>Total Other Financing Sources and Uses</i> | <u>0</u> | <u>24,938</u> | <u>0</u> | <u>(178,458)</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | <u>31,596</u> | <u>(38,114)</u> | <u>27,607</u> | <u>50,558</u> | <u>0</u> |
| <i>Fund Balance at Beginning of Year</i> | <u>268,330</u> | <u>349,133</u> | <u>52,333</u> | <u>92,803</u> | <u>5,765</u> |
| <i>Fund Balance at End of Year</i> | <u>\$299,926</u> | <u>\$311,019</u> | <u>\$79,940</u> | <u>\$143,361</u> | <u>\$5,765</u> |

continued

| Law Enforcement | Indigent Driver's Alcohol Treatment | OMVI Enforcement & Education | Mandatory Drug Fines | Parking | Police Pension | Fire Pension | Total Nonmajor Special Revenue Funds |
|--------------------|--|------------------------------------|----------------------------|------------------|-------------------|------------------|--|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$116,201 | \$116,201 | \$232,402 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 578,951 |
| 0 | 0 | 0 | 0 | 8,495 | 0 | 0 | 111,060 |
| 6,788 | 22,458 | 2,599 | 2,916 | 5,745 | 0 | 0 | 40,506 |
| 683 | 9,175 | 0 | 0 | 0 | 14,144 | 14,143 | 364,566 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,800 |
| 0 | 0 | 0 | 0 | 6,198 | 0 | 0 | 45,811 |
| <u>7,471</u> | <u>31,633</u> | <u>2,599</u> | <u>2,916</u> | <u>20,438</u> | <u>130,345</u> | <u>130,344</u> | <u>1,380,104</u> |
| 18,177 | 24,079 | 0 | 2,500 | 0 | 614,096 | 0 | 658,852 |
| 0 | 0 | 0 | 0 | 0 | 0 | 752,397 | 752,397 |
| 0 | 0 | 0 | 0 | 213,954 | 0 | 0 | 261,013 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 780,745 |
| 0 | 0 | 0 | 0 | 0 | 6,780 | 23,220 | 31,053 |
| 0 | 0 | 0 | 0 | 0 | 1,582 | 5,418 | 7,334 |
| <u>18,177</u> | <u>24,079</u> | <u>0</u> | <u>2,500</u> | <u>213,954</u> | <u>622,458</u> | <u>781,035</u> | <u>2,491,394</u> |
| <u>(10,706)</u> | <u>7,554</u> | <u>2,599</u> | <u>416</u> | <u>(193,516)</u> | <u>(492,113)</u> | <u>(650,691)</u> | <u>(1,111,290)</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,252 |
| 0 | 0 | 0 | 0 | 105,000 | 494,675 | 644,216 | 1,253,691 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (178,572) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>105,000</u> | <u>494,675</u> | <u>644,216</u> | <u>1,090,371</u> |
| (10,706) | 7,554 | 2,599 | 416 | (88,516) | 2,562 | (6,475) | (20,919) |
| <u>67,808</u> | <u>245,093</u> | <u>18,458</u> | <u>2,473</u> | <u>123,939</u> | <u>2,911</u> | <u>12,439</u> | <u>1,241,485</u> |
| <u>\$57,102</u> | <u>\$252,647</u> | <u>\$21,057</u> | <u>\$2,889</u> | <u>\$35,423</u> | <u>\$5,473</u> | <u>\$5,964</u> | <u>\$1,220,566</u> |

City of Chillicothe, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

| | Capital Improvement | Issue II | Safety Levy Capital | Parks & Recreation Capital | Total Nonmajor Capital Projects Funds |
|--|------------------------|-------------------------|-------------------------|----------------------------------|---|
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$32,000 | \$0 | \$438,581 | \$180,152 | \$650,733 |
| Intergovernmental Receivable | 0 | 480,000 | 0 | 0 | 480,000 |
| Income Taxes Receivable | 0 | 0 | 124,264 | 31,066 | 155,330 |
| Prepaid Items | 0 | 0 | 8,081 | 0 | 8,081 |
| <i>Total Assets</i> | <u>\$32,000</u> | <u>\$480,000</u> | <u>\$570,926</u> | <u>\$211,218</u> | <u>\$1,294,144</u> |
| Liabilities: | | | | | |
| Accounts Payable | \$0 | \$0 | \$22,329 | \$5,582 | \$27,911 |
| Interfund Payable | 0 | 0 | 3,750 | 3,750 | 7,500 |
| <i>Total Liabilities</i> | <u>0</u> | <u>0</u> | <u>26,079</u> | <u>9,332</u> | <u>35,411</u> |
| Deferred Inflows of Resources | <u>0</u> | <u>480,000</u> | <u>61,181</u> | <u>15,295</u> | <u>556,476</u> |
| Fund Balances: | | | | | |
| Nonspendable | 0 | 0 | 8,081 | 0 | 8,081 |
| Restricted | 32,000 | 0 | 475,585 | 186,591 | 694,176 |
| <i>Total Fund Balances</i> | <u>32,000</u> | <u>0</u> | <u>483,666</u> | <u>186,591</u> | <u>702,257</u> |
| <i>Total Liabilities and Fund Balances</i> | <u><u>\$32,000</u></u> | <u><u>\$480,000</u></u> | <u><u>\$570,926</u></u> | <u><u>\$211,218</u></u> | <u><u>\$1,294,144</u></u> |

City of Chillicothe, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

| | Capital Improvement | Issue II | Safety Levy Capital | Parks & Recreation Capital | Total Nonmajor Capital Projects Funds |
|---|------------------------|----------------|------------------------|----------------------------------|---|
| Revenues: | | | | | |
| Income Taxes | \$0 | \$0 | \$771,932 | \$192,982 | \$964,914 |
| Intergovernmental | 0 | 123,450 | 2,088 | 49,035 | 174,573 |
| Interest | 0 | 0 | 9 | 0 | 9 |
| Contributions and Donations | 0 | 0 | 0 | 7,767 | 7,767 |
| Other | 0 | 0 | 10,015 | 4,500 | 14,515 |
| <i>Total Revenues</i> | <u>0</u> | <u>123,450</u> | <u>784,044</u> | <u>254,284</u> | <u>1,161,778</u> |
| Expenditures: | | | | | |
| Capital Outlay | 0 | 123,450 | 696,133 | 226,872 | 1,046,455 |
| <i>Debt Service:</i> | | | | | |
| Principal Retirements | 0 | 0 | 264,830 | 0 | 264,830 |
| Interest and Fiscal Charges | 0 | 0 | 17,576 | 0 | 17,576 |
| <i>Total Expenditures</i> | <u>0</u> | <u>123,450</u> | <u>978,539</u> | <u>226,872</u> | <u>1,328,861</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>0</u> | <u>0</u> | <u>(194,495)</u> | <u>27,412</u> | <u>(167,083)</u> |
| Other Financing Sources and Uses: | | | | | |
| Issuance of General Obligation Bonds | 0 | 0 | 297,889 | 0 | 297,889 |
| Transfers In | 0 | 0 | 317 | 0 | 317 |
| Transfers Out | 0 | 0 | (22,950) | (23,750) | (46,700) |
| <i>Total Other Financing Sources and Uses</i> | <u>0</u> | <u>0</u> | <u>275,256</u> | <u>(23,750)</u> | <u>251,506</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 80,761 | 3,662 | 84,423 |
| <i>Fund Balance at Beginning of Year</i> | <u>32,000</u> | <u>0</u> | <u>402,905</u> | <u>182,929</u> | <u>617,834</u> |
| <i>Fund Balance at End of Year</i> | <u>\$32,000</u> | <u>\$0</u> | <u>\$483,666</u> | <u>\$186,591</u> | <u>\$702,257</u> |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-----------------------------|------------------|--------------|--------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Local Taxes | \$12,316,939 | \$12,672,221 | \$13,028,449 | \$356,228 |
| Charges for Services | 3,620,059 | 3,249,723 | 3,251,336 | 1,613 |
| Fines, Licenses and Permits | 1,670,043 | 1,603,566 | 1,611,334 | 7,768 |
| Intergovernmental | 848,007 | 1,081,448 | 1,075,292 | (6,156) |
| Special Assessments | 5,500 | 12,700 | 12,700 | 0 |
| Interest | 55,000 | 145,109 | 162,018 | 16,909 |
| Other | 604,592 | 792,501 | 781,238 | (11,263) |
| Total Revenue | 19,120,140 | 19,557,268 | 19,922,367 | 365,099 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| General Government | | | | |
| Mayor | | | | |
| Personal Services | 227,304 | 238,151 | 238,151 | 0 |
| Fringe Benefits | 124,420 | 139,186 | 139,186 | 0 |
| Travel Transportation | 3,500 | 3,500 | 2,559 | 941 |
| Materials and Supplies | 28,090 | 26,815 | 26,438 | 377 |
| Contractual Services | 27,100 | 27,360 | 7,329 | 20,031 |
| Capital Outlay | 2,000 | 2,000 | 2,000 | 0 |
| Other | 65,750 | 68,694 | 66,892 | 1,802 |
| Total Mayor | 478,164 | 505,706 | 482,555 | 23,151 |
| City Council | | | | |
| Personal Services | 63,065 | 62,565 | 62,565 | 0 |
| Fringe Benefits | 184,213 | 213,707 | 213,707 | 0 |
| Travel Transportation | 0 | 65 | 65 | 0 |
| Materials and Supplies | 350 | 2,935 | 1,016 | 1,919 |
| Capital Outlay | 5,000 | 5,000 | 2,686 | 2,314 |
| Other | 250 | 100 | 0 | 100 |
| Total City Council | 252,878 | 284,372 | 280,039 | 4,333 |
| Treasurer | | | | |
| Personal Services | 9,230 | 9,230 | 9,230 | 0 |
| Fringe Benefits | 31,245 | 31,368 | 31,368 | 0 |
| Contractual Services | 25,800 | 27,100 | 27,100 | 0 |
| Total Treasurer | 66,275 | 67,698 | 67,698 | 0 |

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-----------------------------|------------------|---------|---------|---|
| | Original | Final | Actual | |
| Income Tax Department | | | | |
| Personal Services | 151,346 | 146,516 | 146,516 | 0 |
| Fringe Benefits | 80,137 | 85,470 | 85,470 | 0 |
| Materials and Supplies | 6,000 | 7,298 | 5,925 | 1,373 |
| Contractual Services | 5,641 | 6,124 | 6,124 | 0 |
| Travel | 2,000 | 1,225 | 338 | 887 |
| Capital Outlay | 1,550 | 3,690 | 2,093 | 1,597 |
| Other | 2,075 | 2,640 | 2,300 | 340 |
| Total Income Tax Department | 248,749 | 252,963 | 248,766 | 4,197 |
| Land and Buildings | | | | |
| Materials and Supplies | 172,900 | 186,797 | 163,000 | 23,797 |
| Contractual Services | 34,000 | 89,937 | 82,427 | 7,510 |
| Capital Outlay | 25,000 | 152,754 | 127,830 | 24,924 |
| Other | 750 | 97 | 0 | 97 |
| Total Land and Buildings | 232,650 | 429,585 | 373,257 | 56,328 |
| Law Director | | | | |
| Personal Services | 360,937 | 357,488 | 357,488 | 0 |
| Fringe Benefits | 204,362 | 212,918 | 212,918 | 0 |
| Travel Transportation | 100 | 100 | 0 | 100 |
| Materials and Supplies | 34,805 | 34,805 | 30,790 | 4,015 |
| Contractual Services | 2,778 | 2,778 | 2,390 | 388 |
| Capital Outlay | 3,630 | 5,630 | 5,588 | 42 |
| Other | 3,300 | 15,850 | 13,467 | 2,383 |
| Total Law Director | 609,912 | 629,569 | 622,641 | 6,928 |
| Auditor | | | | |
| Personal Services | 265,520 | 240,772 | 240,772 | 0 |
| Fringe Benefits | 147,896 | 151,136 | 151,136 | 0 |
| Travel Transportation | 1,750 | 3,390 | 3,248 | 142 |
| Materials and Supplies | 4,775 | 3,876 | 3,168 | 708 |
| Contractual Services | 150 | 150 | 0 | 150 |
| Capital Outlay | 4,000 | 12,748 | 11,699 | 1,049 |
| Other | 1,450 | 709 | 659 | 50 |
| Total Auditor | 425,541 | 412,781 | 410,682 | 2,099 |

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--------------------------|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Municipal Court | | | | |
| Personal Services | 1,133,442 | 1,129,661 | 1,129,661 | 0 |
| Fringe Benefits | 568,597 | 612,641 | 612,641 | 0 |
| Travel Transportation | 6,000 | 6,000 | 3,821 | 2,179 |
| Materials and Supplies | 71,550 | 71,730 | 58,020 | 13,710 |
| Contractual Services | 20,000 | 29,300 | 16,985 | 12,315 |
| Capital Outlay | 60,150 | 86,885 | 74,092 | 12,793 |
| Other | 6,100 | 5,510 | 3,724 | 1,786 |
| Total Municipal Court | 1,865,839 | 1,941,727 | 1,898,944 | 42,783 |
| Civil Service | | | | |
| Personal Services | 300 | 0 | 0 | 0 |
| Fringe Benefits | 20 | 29 | 29 | 0 |
| Travel | 500 | 500 | 0 | 500 |
| Materials and Supplies | 16,800 | 20,764 | 14,117 | 6,647 |
| Contractual Services | 15,200 | 16,001 | 15,338 | 663 |
| Capital Outlay | 2,200 | 2,200 | 1,783 | 417 |
| Other | 4,500 | 2,235 | 166 | 2,069 |
| Total Civil Service | 39,520 | 41,729 | 31,433 | 10,296 |
| Service Department | | | | |
| Personal Services | 105,090 | 104,203 | 104,203 | 0 |
| Fringe Benefits | 72,955 | 70,783 | 70,783 | 0 |
| Travel | 1,100 | 100 | 0 | 100 |
| Materials and Supplies | 25,690 | 20,846 | 17,484 | 3,362 |
| Contractual Services | 612 | 133 | 0 | 133 |
| Capital Outlay | 25,000 | 25,000 | 16,016 | 8,984 |
| Other | 950 | 5,423 | 4,823 | 600 |
| Total Service Department | 231,397 | 226,488 | 213,309 | 13,179 |
| Engineering | | | | |
| Personal Services | 198,229 | 202,930 | 202,930 | 0 |
| Fringe Benefits | 121,602 | 94,170 | 94,170 | 0 |
| Travel Transportation | 200 | 0 | 0 | 0 |
| Materials and Supplies | 18,123 | 20,256 | 15,712 | 4,544 |
| Contractual Services | 5,000 | 6,117 | 4,543 | 1,574 |
| Capital Outlay | 25,600 | 29,475 | 26,542 | 2,933 |
| Other | 3,050 | 0 | 0 | 0 |
| Total Engineering | 371,804 | 352,948 | 343,897 | 9,051 |
| Postage and Stores | | | | |
| Materials and Supplies | 60,000 | 68,000 | 61,456 | 6,544 |
| Total Postage and Stores | 60,000 | 68,000 | 61,456 | 6,544 |

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Recycling | | | | |
| Personal Services | 49,070 | 35,959 | 35,959 | 0 |
| Fringe Benefits | 39,429 | 17,883 | 17,883 | 0 |
| Materials and Supplies | 36,600 | 44,748 | 17,850 | 26,898 |
| Contractual Services | 30,000 | 21,752 | 20,518 | 1,234 |
| Capital Outlay | 3,000 | 3,000 | 0 | 3,000 |
| Other | 0 | 100 | 51 | 49 |
| Total Recycling | 158,099 | 123,442 | 92,261 | 31,181 |
| Miscellaneous | | | | |
| Fringe Benefits | 16,500 | 16,500 | 14,456 | 2,044 |
| Travel Transportation | 2,000 | 1,024 | 24 | 1,000 |
| Materials and Supplies | 518,216 | 537,100 | 470,559 | 66,541 |
| Contractual Services | 147,700 | 217,269 | 196,840 | 20,429 |
| Other | 303,750 | 403,823 | 249,513 | 154,310 |
| Total Miscellaneous | 988,166 | 1,175,716 | 931,392 | 244,324 |
| Total General Government | 6,028,994 | 6,512,724 | 6,058,330 | 454,394 |
| Security of Persons and Property | | | | |
| Police Department | | | | |
| Personal Services | 3,510,891 | 3,750,411 | 3,750,411 | 0 |
| Fringe Benefits | 1,411,817 | 1,481,112 | 1,481,112 | 0 |
| Travel Transportation | 1,530 | 669 | 160 | 509 |
| Materials and Supplies | 163,572 | 214,198 | 179,442 | 34,756 |
| Contractual Services | 86,682 | 171,961 | 167,208 | 4,753 |
| Other | 44,331 | 71,440 | 63,978 | 7,462 |
| Total Police Department | 5,218,823 | 5,689,791 | 5,642,311 | 47,480 |
| Fire Department | | | | |
| Personal Services | 3,302,300 | 3,406,464 | 3,406,464 | 0 |
| Fringe Benefits | 1,422,800 | 1,385,014 | 1,385,014 | 0 |
| Travel Transportation | 500 | 1,588 | 1,588 | 0 |
| Materials and Supplies | 268,000 | 294,979 | 280,807 | 14,172 |
| Contractual Services | 27,240 | 29,043 | 28,830 | 213 |
| Capital Outlay | 0 | 1,833 | 1,824 | 9 |
| Other | 0 | 48,613 | 47,323 | 1,290 |
| Total Fire Department | 5,020,840 | 5,167,534 | 5,151,850 | 15,684 |

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------|------------|---|
| | Original | Final | | |
| Civil Defense | | | | |
| Other | 6,350 | 6,350 | 6,350 | 0 |
| Total Civil Defense | 6,350 | 6,350 | 6,350 | 0 |
| Total Security of Persons and Property | 10,246,013 | 10,863,675 | 10,800,511 | 63,164 |
| Transportation | | | | |
| Streets and Sidewalks | | | | |
| Materials and Supplies | 330,000 | 330,000 | 311,527 | 18,473 |
| Total Streets and Sidewalks | 330,000 | 330,000 | 311,527 | 18,473 |
| Total Transportation | 330,000 | 330,000 | 311,527 | 18,473 |
| Community Environment | | | | |
| Design and Review | | | | |
| Materials and Supplies | 125 | 125 | 0 | 125 |
| Other | 50 | 50 | 0 | 50 |
| Total Design and Review | 175 | 175 | 0 | 175 |
| Total Community Environment | 175 | 175 | 0 | 175 |
| Basic Utility Services | | | | |
| Refuse Department | | | | |
| Personal Services | 384,923 | 420,319 | 420,319 | 0 |
| Fringe Benefits | 211,983 | 225,136 | 225,136 | 0 |
| Materials and Supplies | 29,700 | 475,153 | 464,042 | 11,111 |
| Contractual Services | 27,500 | 288,041 | 275,944 | 12,097 |
| Capital Outlay | 0 | 343,889 | 340,701 | 3,188 |
| Other | 133,447 | 22,535 | 22,519 | 16 |
| Total Refuse Department | 787,553 | 1,775,073 | 1,748,661 | 26,412 |
| Total Basic Utility Services | 787,553 | 1,775,073 | 1,748,661 | 26,412 |

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | Actual | |
| <i>Debt Service:</i> | | | | |
| Principal Retirements | 45,000 | 135,000 | 135,000 | 0 |
| Interest and Fiscal Charges | 71,219 | 94,186 | 94,186 | 0 |
| Total Debt Service | 116,219 | 229,186 | 229,186 | 0 |
| Total Expenditures | 17,508,954 | 19,710,833 | 19,148,215 | 562,618 |
| Excess of Revenues Over (Under) Expenditures | 1,611,186 | (153,565) | 774,152 | 927,717 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Capital Assets | 0 | 46,654 | 46,654 | 0 |
| Transfers-In | 488,129 | 94,841 | 296,764 | 201,923 |
| Transfers-Out | (1,885,342) | (1,902,272) | (1,790,068) | 112,204 |
| Total Other Sources (Uses) | (1,397,213) | (1,760,777) | (1,446,650) | 314,127 |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 213,973 | (1,914,342) | (672,498) | 1,241,844 |
| Fund Balances at Beginning of Year | 3,860,853 | 3,860,853 | 3,860,853 | 0 |
| Prior Year Encumbrances Appropriated | 196,894 | 196,894 | 196,894 | 0 |
| Fund Balances at End of Year | \$4,271,720 | \$2,143,405 | \$3,385,249 | \$1,241,844 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Local Taxes | \$1,472,500 | \$1,506,930 | \$1,554,400 | \$47,470 |
| Intergovernmental | 860,000 | 904,247 | 903,180 | (1,067) |
| Interest | 0 | 15 | 18 | 3 |
| Other | 8,000 | 21,059 | 21,603 | 544 |
| Total Revenue | 2,340,500 | 2,432,251 | 2,479,201 | 46,950 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Transportation | | | | |
| Personal Services | 357,383 | 419,505 | 418,137 | 1,368 |
| Fringe Benefits | 170,276 | 227,511 | 217,817 | 9,694 |
| Materials and Supplies | 201,000 | 218,212 | 187,072 | 31,140 |
| Contractual Services | 45,500 | 31,225 | 29,928 | 1,297 |
| Capital Outlay | 1,000,000 | 1,671,244 | 1,667,674 | 3,570 |
| Other | 142,624 | 145,110 | 144,597 | 513 |
| Total Transportation | 1,916,783 | 2,712,807 | 2,665,225 | 47,582 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 620,000 | 620,000 | 620,000 | 0 |
| Interest and Fiscal Charges | 122,373 | 122,373 | 122,373 | 0 |
| Total Debt Service | 742,373 | 742,373 | 742,373 | 0 |
| Total Expenditures | 2,659,156 | 3,455,180 | 3,407,598 | 47,582 |
| Excess of Revenues Under Expenditures | (318,656) | (1,022,929) | (928,397) | 94,532 |
| Other Financing Sources and Uses | | | | |
| Transfers - In | 1,224,604 | 1,224,604 | 0 | (1,224,604) |
| Transfers - Out | (1,224,604) | (1,361,657) | (141,561) | 1,220,096 |
| Total Other Sources and Uses | 0 | (137,053) | (141,561) | (4,508) |
| Excess of Revenues and Other Sources Under Expenditures and Other Uses | (318,656) | (1,159,982) | (1,069,958) | 90,024 |
| Fund Balances at Beginning of Year | 2,761,503 | 2,761,503 | 2,761,503 | 0 |
| Prior Year Encumbrances Appropriated | 315,967 | 315,967 | 315,967 | 0 |
| Fund Balances at End of Year | \$2,758,814 | \$1,917,488 | \$2,007,512 | \$90,024 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Local Taxes | \$739,000 | \$757,066 | \$780,816 | \$23,750 |
| Charges for Services | 2,183,000 | 4,101,399 | 4,102,513 | 1,114 |
| Intergovernmental | 1,583,165 | 1,684,617 | 1,688,617 | 4,000 |
| Other | 162,600 | 223,492 | 221,857 | (1,635) |
| Total Revenue | 4,667,765 | 6,766,574 | 6,793,803 | 27,229 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Transportation | | | | |
| Bus Transit System | | | | |
| Personal Services | 1,644,465 | 1,760,148 | 1,753,284 | 6,864 |
| Fringe Benefits | 919,257 | 975,031 | 972,418 | 2,613 |
| Travel Transportation | 1,200 | 0 | 0 | 0 |
| Contractual Services | 1,330,950 | 3,692,330 | 3,350,272 | 342,058 |
| Materials and Supplies | 354,081 | 416,073 | 377,546 | 38,527 |
| Capital Outlay | 77,800 | 166,157 | 165,997 | 160 |
| Other | 249,700 | 261,637 | 260,260 | 1,377 |
| Total Transportation | 4,577,453 | 7,271,376 | 6,879,777 | 391,599 |
| Debt Service | | | | |
| Principal Retirement | 30,000 | 30,000 | 30,000 | 0 |
| Interest and Fiscal Charges | 42,531 | 42,531 | 42,531 | 0 |
| Total Expenditures | 4,649,984 | 7,343,907 | 6,952,308 | 391,599 |
| Excess of Revenues Over (Under) Expenditures | 17,781 | (577,333) | (158,505) | 418,828 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Capital Assets | 0 | 22,938 | 22,938 | 0 |
| Transfers-Out | (22,600) | (22,600) | (22,634) | (34) |
| Total Other Sources (Uses) | (22,600) | 338 | 304 | (34) |
| Excess of Revenues and Other Sources Under Expenditures and Other Uses | (4,819) | (576,995) | (158,201) | 418,794 |
| Fund Balances at Beginning of Year | 226,672 | 226,672 | 226,672 | 0 |
| Prior Year Encumbrances Appropriated | 489,835 | 489,835 | 489,835 | 0 |
| Fund Balances at End of Year | \$711,688 | \$139,512 | \$558,306 | \$418,794 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
State Highway Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$72,000 | \$73,344 | \$73,231 | (\$113) |
| Total Revenue | 72,000 | 73,344 | 73,231 | (113) |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Transportation | | | | |
| Capital Outlay | 45,000 | 181,050 | 147,059 | 33,991 |
| Total Transportation | 45,000 | 181,050 | 147,059 | 33,991 |
| Total Expenditures | 45,000 | 181,050 | 147,059 | 33,991 |
| Excess of Revenues Over (Under) Expenditures | 27,000 | (107,706) | (73,828) | 33,878 |
| Fund Balances at Beginning of Year | 258,068 | 258,068 | 258,068 | 0 |
| Prior Year Encumbrances Appropriated | 3,600 | 3,600 | 3,600 | 0 |
| Fund Balances at End of Year | \$288,668 | \$153,962 | \$187,840 | \$33,878 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Parks and Recreation Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Income Taxes | \$553,750 | \$567,801 | \$585,614 | \$17,813 |
| Charges for Services | 90,000 | 113,471 | 102,565 | (10,906) |
| Contributions and Donations | 0 | 6,800 | 6,800 | 0 |
| Interest | 0 | 6 | 7 | 1 |
| Other | 31,947 | 33,571 | 30,757 | (2,814) |
| Total Revenue | 675,697 | 721,649 | 725,743 | 4,094 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Leisure Time Activities | | | | |
| Parks and Recreation | | | | |
| Personal Services | 307,666 | 355,668 | 333,844 | 21,824 |
| Fringe Benefits | 155,498 | 175,119 | 168,929 | 6,190 |
| Materials and Supplies | 101,640 | 144,665 | 131,898 | 12,767 |
| Contractual Services | 6,150 | 11,609 | 11,518 | 91 |
| Other | 5,895 | 6,621 | 6,182 | 439 |
| Total Parks and Recreation | 576,849 | 693,682 | 652,371 | 41,311 |
| Leisure Time Activities | | | | |
| Swimming Pool | | | | |
| Personal Services | 86,190 | 85,012 | 73,846 | 11,166 |
| Fringe Benefits | 14,790 | 15,547 | 15,088 | 459 |
| Materials and Supplies | 41,287 | 57,847 | 56,784 | 1,063 |
| Contractual Services | 0 | 1,090 | 1,090 | 0 |
| Other | 1,020 | 2,070 | 1,050 | 1,020 |
| Total Swimming Pool | 143,287 | 161,566 | 147,858 | 13,708 |
| Total Leisure Time Activities | 720,136 | 855,248 | 800,229 | 55,019 |
| Excess of Revenues Under Expenditures | (44,439) | (133,599) | (74,486) | 59,113 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from the Sale of Capital Assets | 0 | 15,252 | 15,252 | 0 |
| Transfers-In | 9,800 | 9,800 | 9,800 | 0 |
| Transfers-Out | (171) | (159,596) | (114) | 159,482 |
| Total Other Sources (Uses) | 9,629 | (134,544) | 24,938 | 159,482 |
| Excess of Revenues and Other Sources Under Expenditures and Other Uses | (34,810) | (268,143) | (49,548) | 218,595 |
| Fund Balances at Beginning of Year | 332,261 | 332,261 | 332,261 | 0 |
| Fund Balances at End of Year | \$297,451 | \$64,118 | \$282,713 | \$218,595 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
HUD Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Intergovernmental | \$75,000 | \$75,000 | \$0 | (\$75,000) |
| Interest | 0 | 0 | 1 | 1 |
| Other | 0 | 8,856 | 8,856 | 0 |
| Total Revenue | 75,000 | 83,856 | 8,857 | (74,999) |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Community Environment | | | | |
| Rehabilitation & Development | | | | |
| Materials and Supplies | 75,000 | 88,079 | 0 | 88,079 |
| Total Community Environment | 75,000 | 88,079 | 0 | 88,079 |
| Total Expenditures | 75,000 | 88,079 | 0 | 88,079 |
| Excess of Revenues Over (Under) Expenditures | 0 | (4,223) | 8,857 | 13,080 |
| Fund Balances at Beginning of Year | 4,629 | 4,629 | 4,629 | 0 |
| Fund Balances at End of Year | \$4,629 | \$406 | \$13,486 | \$13,080 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Grants Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Intergovernmental | \$281,292 | \$181,292 | \$184,955 | \$3,663 |
| Total Revenue | 281,292 | 181,292 | 184,955 | 3,663 |
| Expenditures | | | | |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenditures | 281,292 | 181,292 | 184,955 | 3,663 |
| Other Financing Uses | | | | |
| Transfers-Out | (281,292) | (181,292) | (178,458) | 2,834 |
| Total Other Uses | (281,292) | (181,292) | (178,458) | 2,834 |
| Excess of Revenues Over Expenditures and Other Uses | 0 | 0 | 6,497 | 6,497 |
| Fund Balances at Beginning of Year | 86,636 | 86,636 | 86,636 | 0 |
| Fund Balances at End of Year | \$86,636 | \$86,636 | \$93,133 | \$6,497 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Cablevision Fund
For the Year Ended December 31, 2018

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

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Law Enforcement Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Fines and Forfeitures | \$10,000 | \$2,794 | \$6,788 | \$3,994 |
| Total Revenue | 10,000 | 2,794 | 6,788 | 3,994 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Other | 10,000 | 20,000 | 18,402 | 1,598 |
| Total Security of Persons & Property | 10,000 | 20,000 | 18,402 | 1,598 |
| Total Expenditures | 10,000 | 20,000 | 18,402 | 1,598 |
| Excess of Revenues Under Expenditures | 0 | (17,206) | (11,614) | 5,592 |
| Fund Balances at Beginning of Year | 67,808 | 67,808 | 67,808 | 0 |
| Fund Balances at End of Year | \$67,808 | \$50,602 | \$56,194 | \$5,592 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Indigent Driver's Alcohol Treatment Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines, Licenses and Permits | \$25,000 | \$25,000 | \$22,496 | (\$2,504) |
| Total Revenue | 25,000 | 25,000 | 22,496 | (2,504) |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Alcohol Treatment | | | | |
| Contractual Services | 1,000 | 40,684 | 19,763 | 20,921 |
| Other | 59,860 | 35,036 | 4,316 | 30,720 |
| Total Security of Persons and Property | 60,860 | 75,720 | 24,079 | 51,641 |
| Total Expenditures | 60,860 | 75,720 | 24,079 | 51,641 |
| Excess of Revenues Under Expenditures | (35,860) | (50,720) | (1,583) | 49,137 |
| Fund Balances at Beginning of Year | 244,246 | 244,246 | 244,246 | 0 |
| Fund Balances at End of Year | \$208,386 | \$193,526 | \$242,663 | \$49,137 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
OMVI Enforcement and Education Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Fines, Licenses and Permits | \$3,000 | \$3,000 | \$2,602 | (\$398) |
| Total Revenue | 3,000 | 3,000 | 2,602 | (398) |
| Expenditures | | | | |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenditures | 3,000 | 3,000 | 2,602 | (398) |
| Fund Balances at Beginning of Year | 18,411 | 18,411 | 18,411 | 0 |
| Fund Balances at End of Year | \$21,411 | \$21,411 | \$21,013 | (\$398) |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Mandatory Drug Fines Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|---------|---------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Fines, Licenses and Permits | \$2,500 | \$2,627 | \$3,022 | \$395 |
| Total Revenue | 2,500 | 2,627 | 3,022 | 395 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Security of Persons and Property | | | | |
| Police | | | | |
| Enforcement & Education | | | | |
| Other | 2,500 | 2,500 | 2,500 | 0 |
| Total Security of Persons and Property | 2,500 | 2,500 | 2,500 | 0 |
| Total Expenditures | 2,500 | 2,500 | 2,500 | 0 |
| Excess of Revenues Over Expenditures | 0 | 127 | 522 | 395 |
| Fund Balances at Beginning of Year | 2,189 | 2,189 | 2,189 | 0 |
| Fund Balances at End of Year | \$2,189 | \$2,316 | \$2,711 | \$395 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Parking Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Charges for Services | \$5,800 | \$8,321 | \$8,495 | \$174 |
| Fines, Licenses and Permits | 20,000 | 6,000 | 5,745 | (255) |
| Miscellaneous | 16,100 | 5,968 | 6,198 | 230 |
| Total Revenue | 41,900 | 20,289 | 20,438 | 149 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Transportation | | | | |
| Traffic Control & Parking Facility | | | | |
| Personal Services | 97,663 | 94,511 | 84,359 | 10,152 |
| Fringe Benefits | 52,476 | 54,243 | 51,585 | 2,658 |
| Contractual Services | 1,000 | 16,766 | 16,591 | 175 |
| Materials and Supplies | 18,850 | 38,853 | 36,298 | 2,555 |
| Capital Outlay | 17,000 | 41,790 | 37,194 | 4,596 |
| Other | 0 | 80 | 80 | 0 |
| Total Transportation | 186,989 | 246,243 | 226,107 | 20,136 |
| Total Expenditures | 186,989 | 246,243 | 226,107 | 20,136 |
| Excess of Revenues Under Expenditures | (145,089) | (225,954) | (205,669) | 20,285 |
| Other Financing Sources (Uses) | | | | |
| Transfers-In | 110,000 | 110,000 | 109,000 | (1,000) |
| Transfers Out | (4,000) | (4,000) | (4,000) | 0 |
| Total Other Sources (Uses) | 106,000 | 106,000 | 105,000 | (1,000) |
| Excess of Revenues and Other Sources Under Expenditures and other Uses | (39,089) | (119,954) | (100,669) | 19,285 |
| Fund Balances at Beginning of Year | 136,313 | 136,313 | 136,313 | 0 |
| Fund Balances at End of Year | <u>\$97,224</u> | <u>\$16,359</u> | <u>\$35,644</u> | <u>\$19,285</u> |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Police Pension Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Property Taxes | \$122,845 | \$122,845 | \$116,201 | (\$6,644) |
| Intergovernmental | 13,900 | 13,900 | 14,144 | 244 |
| Total Revenue | 136,745 | 136,745 | 130,345 | (6,400) |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Security of Persons and Property | | | | |
| Police Pension & Disability | | | | |
| Fringe Benefits | 594,969 | 608,095 | 608,060 | 35 |
| Other | 2,450 | 2,524 | 2,524 | 0 |
| Total Security of Persons & Property | 597,419 | 610,619 | 610,584 | 35 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 6,780 | 6,780 | 6,780 | 0 |
| Interest and Fiscal Changes | 1,582 | 1,582 | 1,582 | 0 |
| Total Expenditures | 605,781 | 618,981 | 618,946 | 35 |
| Excess of Revenues Under Expenditures | (469,036) | (482,236) | (488,601) | (6,365) |
| Other Financing Sources | | | | |
| Transfers-In | 472,274 | 472,274 | 469,675 | (2,599) |
| Total Other Sources | 472,274 | 472,274 | 469,675 | (2,599) |
| Excess of Revenues and Other Sources Over (Under) Expenditures | 3,238 | (9,962) | (18,926) | (8,964) |
| Fund Balances at Beginning of Year | 20,829 | 20,829 | 20,829 | 0 |
| Fund Balances at End of Year | \$24,067 | \$10,867 | \$1,903 | (\$8,964) |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Fire Pension Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Property Taxes | \$122,845 | \$122,845 | \$116,201 | (\$6,644) |
| Intergovernmental | 13,900 | 13,900 | 14,143 | 243 |
| Total Revenue | 136,745 | 136,745 | 130,344 | (6,401) |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Security of Persons and Property | | | | |
| Fire Pension & Disability | | | | |
| Fringe Benefits | 758,146 | 749,530 | 749,530 | 0 |
| Other | 2,450 | 2,524 | 2,524 | 0 |
| Total Security of Persons & Property | 760,596 | 752,054 | 752,054 | 0 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 23,220 | 23,220 | 23,220 | 0 |
| Interest and Fiscal Changes | 5,418 | 5,418 | 5,418 | 0 |
| Total Expenditures | 789,234 | 780,692 | 780,692 | 0 |
| Excess of Revenues Under Expenditures | (652,489) | (643,947) | (650,348) | (6,401) |
| Other Financing Sources | | | | |
| Transfers-In | 655,451 | 655,451 | 634,216 | (21,235) |
| Total Other Sources | 655,451 | 655,451 | 634,216 | (21,235) |
| Excess of Revenues and Other Sources | | | | |
| Over (Under) Expenditures | 2,962 | 11,504 | (16,132) | (27,636) |
| Fund Balances at Beginning of Year | 18,035 | 18,035 | 18,035 | 0 |
| Fund Balances at End of Year | \$20,997 | \$29,539 | \$1,903 | (\$27,636) |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Bond Retirement Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Total Revenue | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Excess of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 |
| Other Financing Sources | | | | |
| Transfers-In | 0 | 94,061 | 94,061 | 0 |
| Total Other Sources | 0 | 94,061 | 94,061 | 0 |
| Excess of Revenues and Other Sources Over Expenditures | 0 | 94,061 | 94,061 | 0 |
| Fund Balances at Beginning of Year | 16,647 | 16,647 | 16,647 | 0 |
| Fund Balances at End of Year | \$16,647 | \$110,708 | \$110,708 | \$0 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Capital Improvement Fund
For the Year Ended December 31, 2018

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

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Issue II Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$440,000 | \$140,000 | \$123,450 | (\$16,550) |
| Total Revenue | 440,000 | 140,000 | 123,450 | (16,550) |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Capital Outlay | 440,000 | 140,000 | 123,450 | 16,550 |
| Total Capital Outlay | 440,000 | 140,000 | 123,450 | 16,550 |
| Total Expenditures | 440,000 | 140,000 | 123,450 | 16,550 |
| Excess of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 |
| Fund Balances at Beginning of Year | 0 | 0 | 0 | 0 |
| Fund Balances at End of Year | \$0 | \$0 | \$0 | \$0 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Safety Levy Capital Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Income Taxes | \$739,000 | \$757,066 | \$780,816 | \$23,750 |
| Intergovernmental | 0 | 4,680 | 4,680 | 0 |
| Interest | 0 | 0 | 9 | 9 |
| Other | 0 | 0 | 10,015 | 10,015 |
| Total Revenue | 739,000 | 761,746 | 795,520 | 33,774 |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Contractual Services | 48,279 | 43,279 | 37,395 | 5,884 |
| Materials and Supplies | 32,000 | 35,451 | 33,291 | 2,160 |
| Capital Outlay | 364,571 | 847,776 | 642,974 | 204,802 |
| Other | 10,350 | 13,849 | 12,208 | 1,641 |
| Total Capital Outlay | 455,200 | 940,355 | 725,868 | 214,487 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 264,575 | 264,830 | 264,830 | 0 |
| Interest and Fiscal Changes | 17,833 | 17,579 | 17,576 | 3 |
| Total Expenditures | 737,608 | 1,222,764 | 1,008,274 | 214,490 |
| Excess of Revenues Over (Under) Expenditures | 1,392 | (461,018) | (212,754) | 248,264 |
| Other Financing Sources (Uses) | | | | |
| Issuance of General Obligation Bonds | 0 | 297,889 | 297,889 | 0 |
| Transfers-In | 0 | 16,341 | 317 | (16,024) |
| Transfers-Out | (22,950) | (22,950) | (22,950) | 0 |
| Total Other Sources (Uses) | (22,950) | 291,280 | 275,256 | (16,024) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (21,558) | (169,738) | 62,502 | 232,240 |
| Fund Balances at Beginning of Year | 301,549 | 301,549 | 301,549 | 0 |
| Prior Year Encumbrances Appropriated | 50,026 | 50,026 | 50,026 | 0 |
| Fund Balances at End of Year | \$330,017 | \$181,837 | \$414,077 | \$232,240 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Parks and Recreation Capital Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Income Taxes | \$184,750 | \$189,265 | \$195,203 | \$5,938 |
| Intergovernmental | 0 | 49,035 | 49,035 | 0 |
| Contributions and Donations | 0 | 7,767 | 7,767 | 0 |
| Other | 0 | 4,498 | 4,500 | 2 |
| Total Revenue | 184,750 | 250,565 | 256,505 | 5,940 |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Contractual Services | 15,000 | 14,800 | 160 | 14,640 |
| Capital Outlay | 249,200 | 315,918 | 229,624 | 86,294 |
| Other | 100 | 500 | 146 | 354 |
| Total Capital Outlay | 264,300 | 331,218 | 229,930 | 101,288 |
| Total Expenditures | 264,300 | 331,218 | 229,930 | 101,288 |
| Excess of Revenues Over (Under) Expenditures | (79,550) | (80,653) | 26,575 | 107,228 |
| Other Financing Uses | | | | |
| Transfers-Out | (23,750) | (23,750) | (23,750) | 0 |
| Total Other Uses | (23,750) | (23,750) | (23,750) | 0 |
| Excess of Revenues Over (Under) Expenditures and Other Uses | (103,300) | (104,403) | 2,825 | 107,228 |
| Fund Balances at Beginning of Year | 172,963 | 172,963 | 172,963 | 0 |
| Prior Year Encumbrances Appropriated | 4,364 | 4,364 | 4,364 | 0 |
| Fund Balances at End of Year | \$74,027 | \$72,924 | \$180,152 | \$107,228 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Carlisle Hill Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|----------------|----------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Interest | \$0 | \$15 | \$15 | \$0 |
| Total Revenue | 0 | 15 | 15 | 0 |
| Expenditures | | | | |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Excess of Revenues Over Expenditures | 0 | 15 | 15 | 0 |
| Fund Balances at Beginning of Year | 3,325 | 3,325 | 3,325 | 0 |
| Fund Balances at End of Year | <u>\$3,325</u> | <u>\$3,340</u> | <u>\$3,340</u> | <u>\$0</u> |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Floodwall Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Total Revenue | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| Community Environment | | | | |
| Floodwall Maintenance | | | | |
| Materials and Supplies | 41,750 | 41,650 | 31,693 | 9,957 |
| Capital Outlay | 18,000 | 18,000 | 5,897 | 12,103 |
| Other | 75 | 175 | 100 | 75 |
| Total Community Environment | 59,825 | 59,825 | 37,690 | 22,135 |
| Total Expenditures | 59,825 | 59,825 | 37,690 | 22,135 |
| Excess of Revenues Under Expenditures | (59,825) | (59,825) | (37,690) | 22,135 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Capital Assets | 0 | 1,000 | 1,000 | 0 |
| Transfers-In | 65,860 | 65,860 | 65,860 | 0 |
| Transfers-Out | (9,800) | (9,800) | (9,800) | 0 |
| Total Other Sources (Uses) | 56,060 | 57,060 | 57,060 | 0 |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (3,765) | (2,765) | 19,370 | 22,135 |
| Fund Balances at Beginning of Year | 8,140 | 8,140 | 8,140 | 0 |
| Fund Balances at End of Year | \$4,375 | \$5,375 | \$27,510 | \$22,135 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Income Tax Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Total Revenue | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| General Government | | | | |
| Unallocated & Refunded Income Tax | | | | |
| Other | 475,000 | 488,000 | 448,554 | 39,446 |
| Total General Government | 475,000 | 488,000 | 448,554 | 39,446 |
| Total Expenditures | 475,000 | 488,000 | 448,554 | 39,446 |
| Excess of Revenues Under Expenditures | (475,000) | (488,000) | (448,554) | 39,446 |
| Other Financing Sources | | | | |
| Transfers-In | 475,000 | 475,000 | 435,000 | (40,000) |
| Total Other Sources | 475,000 | 475,000 | 435,000 | (40,000) |
| Excess of Revenues and Other Sources Under Expenditures | 0 | (13,000) | (13,554) | (554) |
| Fund Balances at Beginning of Year | 15,914 | 15,914 | 15,914 | 0 |
| Fund Balances at End of Year | \$15,914 | \$2,914 | \$2,360 | (\$554) |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Landfill Closure Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Total Revenue | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Capital Outlay | 42,000 | 63,403 | 56,833 | 6,570 |
| Total Capital Outlay | 42,000 | 63,403 | 56,833 | 6,570 |
| Total Expenditures | 42,000 | 63,403 | 56,833 | 6,570 |
| Excess of Revenues Under Expenditures | (42,000) | (63,403) | (56,833) | 6,570 |
| Other Financing Sources | | | | |
| Transfers-In | 42,000 | 42,000 | 42,000 | 0 |
| Total Other Sources | 42,000 | 42,000 | 42,000 | 0 |
| Excess of Revenues and Other Sources Under Expenditures | 0 | (21,403) | (14,833) | 6,570 |
| Fund Balances at Beginning of Year | 14,853 | 14,853 | 14,853 | 0 |
| Prior Year Encumbrances Appropriated | 11,400 | 11,400 | 11,400 | 0 |
| Fund Balances at End of Year | \$26,253 | \$4,850 | \$11,420 | \$6,570 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Streetscape Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Miscellaneous | \$0 | \$8,229 | \$8,228 | (\$1) |
| Total Revenue | 0 | 8,229 | 8,228 | (1) |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Capital Outlay | 8,000 | 18,000 | 14,780 | 3,220 |
| Total Capital Outlay | 8,000 | 18,000 | 14,780 | 3,220 |
| Total Expenditures | 8,000 | 18,000 | 14,780 | 3,220 |
| Excess of Revenues Under Expenditures | (8,000) | (9,771) | (6,552) | 3,219 |
| Other Financing Sources | | | | |
| Transfers-In | 8,000 | 8,000 | 8,000 | 0 |
| Total Other Sources | 8,000 | 8,000 | 8,000 | 0 |
| Excess of Revenues and Other Sources Over (Under) Expenditures | 0 | (1,771) | 1,448 | 3,219 |
| Fund Balances at Beginning of Year | 21,876 | 21,876 | 21,876 | 0 |
| Fund Balances at End of Year | \$21,876 | \$20,105 | \$23,324 | \$3,219 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Unclaimed Monies Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------|---|
| | Original | Final | Actual |
| Revenues | | | |
| Miscellaneous | \$4,000 | \$8,253 | \$8,253 |
| Total Revenue | 4,000 | 8,253 | 8,253 |
| Expenditures | | | |
| <i>Current:</i> | | | |
| General Government | | | |
| Monies Claimed | 1,000 | 2,000 | 1,504 |
| Total General Government | 1,000 | 2,000 | 1,504 |
| Total Expenditures | 1,000 | 2,000 | 1,504 |
| Excess of Revenues Over Expenditures | 3,000 | 6,253 | 6,749 |
| Fund Balances at Beginning of Year | 96,201 | 96,201 | 96,201 |
| Fund Balances at End of Year | \$99,201 | \$102,454 | \$102,950 |

**CITY OF CHILLICOTHE, OHIO
PROPRIETARY FUNDS**

ENTERPRISE FUNDS

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

NONMAJOR INTERNAL SERVICE FUND

Internal service funds are maintained to account for the operations of City activities that provide services to other City departments and funds.

Fuel Purchasing Program

To account for the activity from the City's fuel purchasing program. Since this is the only nonmajor internal service fund, no combining statements for the internal service fund are presented.

City of Chillicothe, Ohio
Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget and Actual (Budget Basis)
Water Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Charges for Services | \$4,189,497 | \$4,237,584 | \$4,402,487 | \$164,903 |
| Other Operating Revenue | 94,607 | 136,069 | 141,227 | 5,158 |
| Total Revenue | 4,284,104 | 4,373,653 | 4,543,714 | 170,061 |
| Expenses | | | | |
| <i>Current:</i> | | | | |
| Personal Services | 1,389,141 | 1,411,610 | 1,397,735 | 13,875 |
| Fringe Benefits | 726,595 | 742,001 | 738,329 | 3,672 |
| Travel Transportation | 450 | 137 | 137 | 0 |
| Contractual Services | 137,680 | 142,708 | 118,551 | 24,157 |
| Materials and Supplies | 786,050 | 801,048 | 735,889 | 65,159 |
| Other Operating Expenses | 267,883 | 262,300 | 250,331 | 11,969 |
| Capital Outlay | 847,413 | 1,109,119 | 808,874 | 300,245 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 425,000 | 425,000 | 425,000 | 0 |
| Interest and Fiscal Charges | 26,000 | 26,000 | 26,000 | 0 |
| Total Expenses | 4,606,212 | 4,919,923 | 4,500,846 | 419,077 |
| Excess of Revenues Over (Under) Expenses | (322,108) | (546,270) | 42,868 | 589,138 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sales of Capital Assets | 0 | 21,233 | 21,233 | 0 |
| Transfers-Out | (1,100) | (1,100) | (678) | 422 |
| Total Other Sources (Uses) | (1,100) | 20,133 | 20,555 | 422 |
| Excess of Revenues Over (Under) Expenses and Other Uses | (323,208) | (526,137) | 63,423 | 589,560 |
| Fund Equity at Beginning of Year | 4,332,122 | 4,332,122 | 4,332,122 | 0 |
| Prior Year Encumbrances Appropriated | 232,416 | 232,416 | 232,416 | 0 |
| Fund Equity at End of Year | \$4,241,330 | \$4,038,401 | \$4,627,961 | \$589,560 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget and Actual (Budget Basis)
Sewer Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Charges for Services | \$3,067,546 | \$3,233,012 | \$3,361,669 | \$128,657 |
| Other Operating Revenues | 44,758 | 81,037 | 82,176 | 1,139 |
| Total Revenue | 3,112,304 | 3,314,049 | 3,443,845 | 129,796 |
| Expenses | | | | |
| <i>Current:</i> | | | | |
| Personal Services | 1,019,983 | 1,156,459 | 1,131,640 | 24,819 |
| Fringe Benefits | 618,197 | 680,375 | 652,840 | 27,535 |
| Travel Transportation | 450 | 137 | 137 | 0 |
| Contractual Services | 140,056 | 139,363 | 136,564 | 2,799 |
| Materials and Supplies | 447,775 | 459,272 | 441,728 | 17,544 |
| Other Operating Expenses | 201,369 | 198,619 | 190,476 | 8,143 |
| Capital Outlay | 1,072,563 | 1,339,974 | 948,699 | 391,275 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 120,000 | 120,000 | 120,000 | 0 |
| Interest and Fiscal Charges | 22,750 | 22,750 | 22,750 | 0 |
| Total Expenses | 3,643,143 | 4,116,949 | 3,644,834 | 472,115 |
| Excess of Revenues Under Expenses | (530,839) | (802,900) | (200,989) | 601,911 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sales of Capital Assets | 0 | 30,900 | 30,900 | 0 |
| Transfers-In | 0 | 0 | 30,000 | 30,000 |
| Transfers-Out | (113,850) | (113,850) | (680) | 113,170 |
| Total Other Sources (Uses) | (113,850) | (82,950) | 60,220 | 143,170 |
| Excess of Revenues and Other Sources Under Expenses and Other Uses | (644,689) | (885,850) | (140,769) | 745,081 |
| Fund Equity at Beginning of Year | 4,467,871 | 4,467,871 | 4,467,871 | 0 |
| Prior Year Encumbrances Appropriated | 69,411 | 69,411 | 69,411 | 0 |
| Fund Equity at End of Year | \$3,892,593 | \$3,651,432 | \$4,396,513 | \$745,081 |

City of Chillicothe, Ohio
Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget and Actual (Budget Basis)
Internal Service Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Charges for Services | \$300,000 | \$420,000 | \$429,136 | \$9,136 |
| Total Revenue | 300,000 | 420,000 | 429,136 | 9,136 |
| Expenses | | | | |
| <i>Current:</i> | | | | |
| Materials and Supplies | 302,500 | 422,500 | 413,787 | 8,713 |
| Total Expenses | 302,500 | 422,500 | 413,787 | 8,713 |
| Excess of Revenues Over (Under) Expenses | (2,500) | (2,500) | 15,349 | 17,849 |
| Fund Equity at Beginning of Year | 67,785 | 67,785 | 67,785 | 0 |
| Fund Equity at End of Year | \$65,285 | \$65,285 | \$83,134 | \$17,849 |

**CITY OF CHILLICOTHE, OHIO
FIDUCIARY FUNDS**

AGENCY FUNDS

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

Court Agency Fund

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

Deposits Agency Fund

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

City of Chillicothe, Ohio
Statement of Changes in Assets & Liabilities
Agency Funds
For the Year Ended December 31, 2018

| | Balance 1/1/2018 | Additions | Reductions | Balance 12/31/2018 |
|--|---------------------|--------------------|--------------------|-----------------------|
| Deposits Agency | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$38,212 | \$311 | \$531 | \$37,992 |
| <i>Total Assets</i> | <u>\$38,212</u> | <u>\$311</u> | <u>\$531</u> | <u>\$37,992</u> |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$38,212 | \$311 | \$531 | \$37,992 |
| <i>Total Liabilities</i> | <u>\$38,212</u> | <u>\$311</u> | <u>\$531</u> | <u>\$37,992</u> |
| Municipal Court Agency | | | | |
| Assets | | | | |
| Cash and Cash Equivalents in Segregated Accounts | \$163,376 | \$1,600,194 | \$1,615,311 | \$148,259 |
| <i>Total Assets</i> | <u>\$163,376</u> | <u>\$1,600,194</u> | <u>\$1,615,311</u> | <u>\$148,259</u> |
| Liabilities | | | | |
| Intergovernmental Payable | \$62,968 | \$642,830 | \$646,436 | \$59,362 |
| Undistributed Monies | 100,408 | 223,069 | 234,580 | 88,897 |
| Deposits Held and Due to Others | 0 | 734,295 | 734,295 | 0 |
| <i>Total Liabilities</i> | <u>\$163,376</u> | <u>\$1,600,194</u> | <u>\$1,615,311</u> | <u>\$148,259</u> |
| Total Agency Funds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$38,212 | \$311 | \$531 | \$37,992 |
| Cash and Cash Equivalents in Segregated Accounts | 163,376 | 1,600,194 | 1,615,311 | 148,259 |
| <i>Total Assets</i> | <u>\$201,588</u> | <u>\$1,600,505</u> | <u>\$1,615,842</u> | <u>\$186,251</u> |
| Liabilities | | | | |
| Intergovernmental Payable | \$62,968 | \$642,830 | \$646,436 | \$59,362 |
| Undistributed Monies | 100,408 | 223,069 | 234,580 | 88,897 |
| Deposits Held and Due to Others | 38,212 | 734,606 | 734,826 | 37,992 |
| <i>Total Liabilities</i> | <u>\$201,588</u> | <u>\$1,600,505</u> | <u>\$1,615,842</u> | <u>\$186,251</u> |

Statistical Section

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

| <u>Contents</u> | <u>Page(s)</u> |
|--|-----------------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial position has changed over time. | 158-163 |
| Revenue Capacity | |
| These schedules contain information to help the reader understand and access the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and income tax. | 164-168 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 169-173 |
| Economic and Demographic Information | |
| This schedule offers economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. | 174-175 |
| Operating Information | |
| These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 176-180 |

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF CHILLICOTHE, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017* | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$39,109,104 | \$40,021,089 | \$37,577,135 | \$37,188,766 | \$36,003,964 | \$34,537,906 | \$31,019,197 | \$29,083,001 | \$26,212,133 | \$26,307,894 |
| <i>Restricted:</i> | | | | | | | | | | |
| Debt Service | 13,507 | 14,099 | 14,670 | 14,956 | 1,940 | 3,152 | 2,720 | 0 | 0 | 83,515 |
| Capital Projects | 321,193 | 1,488,796 | 2,433,951 | 587,122 | 753,555 | 874,538 | 691,212 | 783,956 | 685,762 | 1,258,733 |
| <i>Permanent Fund:</i> | | | | | | | | | | |
| Expendable | 2,187 | 2,207 | 2,235 | 2,250 | 2,265 | 2,265 | 2,295 | 2,310 | 2,325 | 2,340 |
| Nonexpendable | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Street Construction, Maintenance and Repair | 321,959 | 326,271 | 377,749 | 597,155 | 577,311 | 493,184 | 0 | 2,507,600 | 3,618,733 | 2,839,067 |
| Bus Transit | 2,465,846 | 205,481 | 13,980 | 144,362 | 454,151 | 585,710 | 719,872 | 745,369 | 1,085,982 | 698,018 |
| Housing and Urban Development Program | 1,234,949 | 418,947 | 655,388 | 630,777 | 211,626 | 88,716 | 90,128 | 62,535 | 57,633 | 79,940 |
| Other Purposes | 1,216,833 | 998,585 | 950,556 | 770,263 | 918,037 | 983,910 | 1,155,410 | 1,260,684 | 1,284,662 | 1,221,335 |
| Unrestricted (Deficit) | 686,586 | (1,172,862) | (266,958) | (273,582) | 575,723 | (14,972,673) | (12,599,357) | (15,464,626) | (32,054,419) | (35,176,908) |
| Total Governmental Activities Net Position | \$45,373,164 | \$42,303,613 | \$41,759,706 | \$39,663,069 | \$39,499,572 | \$22,597,708 | \$21,082,477 | \$18,981,829 | \$893,811 | (\$2,685,066) |
| Business Type - Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$32,021,986 | \$32,510,938 | \$30,558,748 | \$32,431,229 | \$32,846,152 | \$33,479,256 | \$33,549,707 | \$33,244,740 | \$33,483,988 | \$33,067,316 |
| <i>Restricted:</i> | | | | | | | | | | |
| Debt Service | 1,694,714 | 1,627,337 | 1,283,936 | 1,283,936 | 1,351,634 | 1,351,634 | 4 | 4 | 4 | 4 |
| Capital Projects | 1,818,467 | 1,818,467 | 1,818,467 | 1,818,467 | 1,818,467 | 1,818,467 | 618,468 | 618,468 | 618,466 | 618,466 |
| Unrestricted | 5,094,530 | 4,830,440 | 7,450,049 | 4,928,272 | 4,914,405 | 3,032,263 | 6,210,997 | 6,856,475 | 4,814,012 | 5,207,250 |
| Total Business-Type Activities Net Position | \$40,629,697 | \$40,787,182 | \$41,111,200 | \$40,461,904 | \$40,930,658 | \$39,681,620 | \$40,379,176 | \$40,719,687 | \$38,916,470 | \$38,893,036 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | \$71,131,090 | \$72,532,027 | \$68,135,883 | \$69,619,995 | \$68,850,116 | \$68,017,162 | \$64,568,904 | \$62,327,741 | \$59,696,121 | \$59,375,210 |
| Restricted | 9,090,655 | 6,901,190 | 7,551,932 | 5,850,288 | 6,089,986 | 6,202,576 | 3,281,109 | 5,981,926 | 7,354,567 | 6,802,418 |
| Unrestricted | 5,781,116 | 3,657,578 | 7,183,091 | 4,654,690 | 5,490,128 | (11,940,410) | (6,388,360) | (8,608,151) | (27,240,407) | (29,969,658) |
| Total Primary Government Net Position | \$86,002,861 | \$83,090,795 | \$82,870,906 | \$80,124,973 | \$80,430,230 | \$62,279,328 | \$61,461,653 | \$59,701,516 | \$39,810,281 | \$36,207,970 |

*Restated in 2018

CITY OF CHILLICOTHE, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Program Revenues | | | | | | | | | | |
| <i>Governmental Activities</i> | | | | | | | | | | |
| <i>Charges for Services:</i> | | | | | | | | | | |
| General Government | \$2,155,542 | \$2,619,886 | \$2,248,670 | \$2,198,878 | \$2,064,040 | \$2,206,675 | \$2,326,602 | \$2,483,728 | \$2,675,760 | \$2,373,866 |
| Security of Persons and Property: | | | | | | | | | | |
| Police | 96,135 | 57,760 | 52,402 | 62,719 | 43,245 | 42,685 | 49,952 | 33,477 | 41,252 | 34,761 |
| Fire | 1,112,873 | 1,138,072 | 1,227,034 | 1,128,525 | 1,090,048 | 1,136,677 | 999,256 | 1,037,872 | 1,068,942 | 1,048,201 |
| Transportation | 192,654 | 848,534 | 1,059,399 | 1,200,451 | 1,159,503 | 2,038,070 | 2,345,012 | 1,959,322 | 2,228,577 | 4,486,010 |
| Basic Utility Services | 1,004,003 | 989,639 | 942,951 | 939,539 | 1,620,594 | 1,460,742 | 1,461,615 | 1,455,317 | 1,452,727 | 1,485,124 |
| Leisure Time Activities | 103,915 | 90,134 | 107,531 | 125,053 | 72,920 | 109,667 | 91,472 | 114,592 | 111,831 | 109,365 |
| Subtotal - Charges for Services | 4,665,122 | 5,744,025 | 5,637,987 | 5,655,165 | 6,050,350 | 6,994,516 | 7,273,909 | 7,084,308 | 7,579,089 | 9,537,327 |
| <i>Operating Grants and Contributions:</i> | | | | | | | | | | |
| General Government | 24,324 | 207,793 | 250,860 | 225,772 | 224,910 | 212,942 | 0 | 0 | 6,843 | 0 |
| Security of Persons and Property: | | | | | | | | | | |
| Police | 0 | 151,421 | 0 | 29,330 | 132,204 | 74,464 | 33,611 | 14,800 | 41,146 | 235,623 |
| Fire | 0 | 146,250 | 0 | 155,117 | 254,413 | 30,317 | 19,502 | 14,017 | 14,140 | 14,110 |
| Transportation | 3,387,055 | 1,555,346 | 2,125,408 | 2,341,454 | 3,524,770 | 2,464,472 | 2,676,569 | 2,664,810 | 2,434,016 | 2,082,423 |
| Community Environment | 1,971,841 | 131,711 | 1,866,383 | 1,127,170 | 50,375 | 120,686 | 83,757 | 69,041 | 47,704 | 13,450 |
| Leisure Time Activities | 5,973 | 6,407 | 17,046 | 19,877 | 5,938 | 17,440 | 0 | 0 | 0 | 0 |
| Subtotal - Operating Grants and Contributions | 5,389,193 | 2,198,928 | 4,259,697 | 3,898,720 | 4,192,610 | 2,920,321 | 2,813,439 | 2,762,668 | 2,543,849 | 2,345,606 |
| <i>Capital Grants and Contributions:</i> | | | | | | | | | | |
| Security of Persons and Property: | | | | | | | | | | |
| Police | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 3,691,384 | 794,490 | 336,199 | 464,966 | 99,608 | 60,131 | 330,000 | 95,450 | 420,773 | 603,450 |
| Leisure Time Activities | 87,321 | 136,400 | 0 | 0 | 33,997 | 4,960 | 0 | 10,000 | 0 | 56,802 |
| Subtotal - Capital Grants and Contributions | 3,778,705 | 930,890 | 336,199 | 464,966 | 133,605 | 65,091 | 330,000 | 105,450 | 420,773 | 660,252 |
| <i>Total Governmental Activities Program Revenues</i> | 13,833,020 | 8,873,843 | 10,233,883 | 10,018,851 | 10,376,565 | 9,979,928 | 10,417,348 | 9,952,426 | 10,543,711 | 12,543,185 |
| Business-Type Activities | | | | | | | | | | |
| <i>Charges for Services</i> | | | | | | | | | | |
| Water | 4,401,964 | 4,439,150 | 4,515,934 | 3,747,483 | 4,467,383 | 4,343,590 | 4,389,716 | 4,276,662 | 4,345,361 | 4,421,534 |
| Sewer | 3,155,672 | 3,086,853 | 3,188,581 | 2,658,330 | 3,189,215 | 3,026,390 | 3,091,530 | 3,044,372 | 3,171,156 | 3,430,191 |
| <i>Total Business-Type Activities Program Revenues</i> | 7,557,636 | 7,526,003 | 7,704,515 | 6,405,813 | 7,656,598 | 7,369,980 | 7,481,246 | 7,321,034 | 7,516,517 | 7,851,725 |
| <i>Total Primary Government Program Revenues</i> | \$21,390,656 | \$16,399,846 | \$17,938,398 | \$16,424,664 | \$18,033,163 | \$17,349,908 | \$17,898,594 | \$17,273,460 | \$18,060,228 | \$20,394,910 |

continued

CITY OF CHILLICOTHE, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | \$5,856,422 | \$5,972,704 | \$5,714,391 | \$5,699,394 | \$5,333,744 | \$5,100,298 | \$5,586,664 | \$5,849,212 | \$6,389,653 | \$6,661,671 |
| Security of Persons and Property: | | | | | | | | | | |
| Police | 5,616,398 | 5,921,752 | 5,347,177 | 5,537,262 | 5,414,997 | 5,338,983 | 5,207,081 | 6,400,259 | 6,332,115 | 7,589,867 |
| Fire | 5,370,049 | 5,427,992 | 5,486,905 | 5,692,471 | 5,586,698 | 5,564,205 | 5,263,397 | 6,144,215 | 6,260,678 | 7,001,891 |
| Transportation | 7,341,642 | 5,650,615 | 6,504,578 | 6,321,374 | 6,134,684 | 6,402,993 | 8,356,705 | 8,833,139 | 8,703,914 | 10,737,859 |
| Community Environment | 1,685,430 | 969,074 | 1,432,828 | 930,752 | 833,234 | 603,419 | 445,176 | 432,011 | 430,023 | 354,503 |
| Basic Utility Services | 874,302 | 1,172,801 | 673,426 | 920,910 | 752,633 | 1,108,199 | 898,156 | 920,757 | 985,975 | 1,782,804 |
| Leisure Time Activities | 520,058 | 856,056 | 863,046 | 933,458 | 617,180 | 775,554 | 789,943 | 997,693 | 1,097,183 | 1,176,712 |
| Interest and Fiscal Charges | 136,428 | 132,305 | 116,032 | 115,936 | 125,816 | 167,577 | 177,562 | 191,771 | 303,446 | 287,022 |
| Insurance Costs | 0 | 0 | 0 | 0 | 156,699 | 0 | 6,928 | 71,950 | 61,187 | 0 |
| Total Governmental Activities Expenses | 27,400,729 | 26,103,299 | 26,138,383 | 26,151,557 | 24,955,685 | 25,061,228 | 26,731,612 | 29,841,007 | 30,564,174 | 35,592,329 |
| Business-Type Activities | | | | | | | | | | |
| Water | 4,400,088 | 3,900,284 | 4,995,184 | 4,089,141 | 3,896,122 | 3,983,254 | 3,675,217 | 4,078,550 | 4,277,717 | 4,537,006 |
| Sewer | 3,248,239 | 3,887,721 | 3,328,562 | 3,103,909 | 3,494,256 | 3,123,064 | 3,278,689 | 3,148,529 | 3,631,845 | 3,621,098 |
| Total Business-Type Activities Expenses | 7,648,327 | 7,788,005 | 8,323,746 | 7,193,050 | 7,390,378 | 7,106,318 | 6,953,906 | 7,227,079 | 7,909,562 | 8,158,104 |
| Total Primary Government Program Expenses | 35,049,056 | 33,891,304 | 34,462,129 | 33,344,607 | 32,346,063 | 32,167,546 | 33,685,518 | 37,068,086 | 38,473,736 | 43,750,433 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (13,567,709) | (17,229,456) | (15,904,500) | (16,132,706) | (14,579,120) | (15,081,300) | (16,314,264) | (19,888,581) | (20,020,463) | (23,049,144) |
| Business-Type Activities | (90,691) | (262,002) | (619,231) | (787,237) | 266,220 | 263,662 | 527,340 | 93,955 | (393,045) | (306,379) |
| Total Primary Government Net Expense | (13,658,400) | (17,491,458) | (16,523,731) | (16,919,943) | (14,312,900) | (14,817,638) | (15,786,924) | (19,794,626) | (20,413,508) | (23,355,523) |

continued

CITY OF CHILLICOTHE, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------------|----------------------|----------------------|----------------------|-------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| <i>Governmental Activities</i> | | | | | | | | | | |
| <i>Taxes:</i> | | | | | | | | | | |
| <i>Property and Other Local Taxes Levied for:</i> | | | | | | | | | | |
| General Purposes | 935,673 | 941,165 | 899,306 | 880,624 | 883,741 | 865,677 | 861,079 | 884,981 | 900,267 | 971,274 |
| Police and Fire Pension | 221,814 | 226,362 | 216,144 | 211,970 | 226,163 | 222,750 | 215,431 | 213,818 | 217,816 | 233,800 |
| <i>Municipal Income Taxes Levied for:</i> | | | | | | | | | | |
| General Purposes | 9,186,508 | 9,109,304 | 9,495,655 | 9,598,751 | 9,662,424 | 9,863,588 | 10,333,167 | 11,500,817 | 11,706,783 | 12,260,316 |
| Transportation | 668,288 | 662,443 | 690,670 | 697,395 | 702,702 | 716,139 | 732,147 | 2,176,293 | 2,215,346 | 2,329,437 |
| Capital Outlay | 836,331 | 827,341 | 864,429 | 862,151 | 878,096 | 894,889 | 915,798 | 938,664 | 930,366 | 973,611 |
| Other Taxes | 133,653 | 230,591 | 207,975 | 238,930 | 243,520 | 262,223 | 290,727 | 304,959 | 375,388 | 307,338 |
| Grants and Entitlements not Restricted to Specific Programs | 2,098,454 | 1,820,969 | 1,937,176 | 979,018 | 1,148,330 | 915,163 | 741,609 | 860,806 | 875,632 | 1,148,782 |
| Investment Income | 151,647 | 55,348 | 50,035 | 31,662 | 16,768 | 17,177 | 14,841 | 49,563 | 82,206 | 195,099 |
| Miscellaneous | 323,883 | 456,890 | 341,810 | 549,757 | 674,708 | 558,521 | 706,066 | 873,248 | 1,278,970 | 1,079,252 |
| Gain on Sale of Capital Assets | 0 | 387 | 0 | 0 | 0 | 0 | 0 | 13,318 | 0 | 0 |
| Total Governmental Activities | 14,556,251 | 14,330,800 | 14,703,200 | 14,050,258 | 14,436,452 | 14,316,127 | 14,810,865 | 17,816,467 | 18,582,774 | 19,498,909 |
| <i>Business-Type Activities</i> | | | | | | | | | | |
| Investment Income | 16 | 0 | 2,846 | 1,911 | 1,134 | 5,142 | 4 | 0 | 0 | 0 |
| Miscellaneous | 99,701 | 403,064 | 118,047 | 121,841 | 180,571 | 189,347 | 158,380 | 218,022 | 187,608 | 223,403 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,900 |
| Total Business-Type Activities | 99,717 | 403,064 | 120,893 | 123,752 | 181,705 | 194,489 | 158,384 | 218,022 | 187,608 | 254,303 |
| Total Primary Government General Revenues and Other Changes in Net Position | 14,655,968 | 14,733,864 | 14,824,093 | 14,174,010 | 14,618,157 | 14,510,616 | 14,969,249 | 18,034,489 | 18,770,382 | 19,753,212 |
| <i>Transfers</i> | | | | | | | | | | |
| Governmental Activities | (39,790) | (16,423) | (14,352) | (14,189) | (20,829) | (25,443) | (11,832) | (28,534) | (35,579) | (28,642) |
| Business-Type Activities | 39,790 | 16,423 | 14,352 | 14,189 | 20,829 | 25,443 | 11,832 | 28,534 | 35,579 | 28,642 |
| Change in Net Position | 948,752 | (2,915,079) | (1,215,652) | (2,096,637) | (163,497) | (790,616) | (1,515,231) | (2,100,648) | (1,473,268) | (3,578,877) |
| Governmental Activities | 48,816 | 157,485 | (483,986) | (649,296) | 468,754 | 483,594 | 697,556 | 340,511 | (169,858) | (23,434) |
| Total Primary Government Change in Net Position | \$997,568 | (\$2,757,594) | (\$1,699,638) | (\$2,745,933) | \$305,257 | (\$307,022) | (\$817,675) | (\$1,760,137) | (\$1,643,126) | (\$3,602,311) |

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|--------------|--------------|
| General Fund | | | | | | | | | | |
| Reserved | \$141,640 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Unreserved | 2,232,978 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nonspendable | 0 | 220,157 | 252,251 | 261,459 | 258,593 | 248,463 | 261,226 | 255,045 | 274,376 | 508,499 |
| Committed | 0 | 197,064 | 159,667 | 110,387 | 114,900 | 87,271 | 51,286 | 34,567 | 45,329 | 54,278 |
| Assigned | 0 | 32,505 | 46,264 | 14,607 | 0 | 0 | 0 | 18,453 | 14,853 | 11,420 |
| Unassigned (Deficit) | 0 | 1,133,784 | 1,334,086 | (520,457) | 1,703,062 | 1,948,943 | 2,663,924 | 3,369,441 | 4,975,561 | 4,256,839 |
| Total General Fund | 2,374,618 | 1,583,510 | 1,792,268 | (134,004) | 2,076,555 | 2,284,677 | 2,976,436 | 3,677,506 | 5,310,119 | 4,831,036 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 443,926 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Unreserved, Undesignated, Reported in:</i> | | | | | | | | | | |
| Special Revenue Funds | 865,429 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service Funds | 16,591 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Projects Funds | 97,329 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Permanent Funds | 2,187 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nonspendable | 0 | 19,740 | 44,927 | 53,611 | 90,404 | 110,275 | 90,886 | 78,331 | 58,844 | 178,409 |
| Restricted | 0 | 1,134,928 | 1,636,977 | 1,202,380 | 2,409,387 | 2,203,639 | 2,356,673 | 4,493,423 | 5,919,152 | 5,096,903 |
| Assigned | 0 | 5,765 | 5,765 | 5,765 | 5,765 | 5,765 | 5,765 | 5,765 | 5,765 | 5,765 |
| Unassigned (Deficit) | 0 | (1,942,241) | (2,216,810) | (2,695,504) | (115,987) | (52,204) | (415,703) | 0 | 0 | 0 |
| Total All Other Governmental Funds | 1,425,462 | (781,808) | (529,141) | (1,433,748) | 2,389,569 | 2,267,475 | 2,037,621 | 4,577,519 | 5,983,761 | 5,281,077 |
| Total Governmental Funds | \$3,800,080 | \$801,702 | \$1,263,127 | (\$1,567,752) | \$4,466,124 | \$4,552,152 | \$5,014,057 | \$8,255,025 | \$11,293,880 | \$10,112,113 |

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in calendar year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|----------------------|----------------------|-------------------|----------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | | | | | | |
| Property Taxes | \$1,153,839 | \$1,162,849 | \$1,132,782 | \$1,088,740 | \$1,115,022 | \$1,075,485 | \$1,077,820 | \$1,088,547 | \$1,130,743 | \$1,197,651 |
| Municipal Income Taxes | 10,691,127 | 10,599,088 | 10,526,861 | 10,851,650 | 11,177,609 | 11,303,794 | 12,109,853 | 14,148,768 | 15,173,267 | 15,424,214 |
| Other Taxes | 133,653 | 230,591 | 207,975 | 238,930 | 243,520 | 262,223 | 290,727 | 304,959 | 375,388 | 307,338 |
| Charges for Services | 2,415,065 | 4,081,250 | 3,997,405 | 3,997,022 | 4,501,048 | 5,255,945 | 5,423,454 | 5,138,328 | 5,555,170 | 7,862,987 |
| Fines, Licenses and Permits | 2,232,953 | 1,397,242 | 1,658,779 | 1,631,754 | 1,525,476 | 1,734,819 | 1,844,592 | 1,917,514 | 1,990,345 | 3,908,580 |
| Intergovernmental | 9,847,621 | 6,506,226 | 6,682,596 | 5,175,386 | 5,827,097 | 3,465,617 | 4,237,598 | 3,531,008 | 3,765,473 | 4,277,837 |
| Special Assessments | 17,104 | 50,186 | 34,087 | 7,558 | 13,150 | 3,752 | 5,863 | 11,566 | 30,676 | 20,615 |
| Investment Earnings | 151,647 | 55,348 | 50,035 | 31,662 | 16,768 | 17,177 | 14,841 | 49,563 | 82,206 | 195,099 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,900 | 1,310 | 14,567 |
| Miscellaneous | 354,180 | 502,048 | 437,117 | 647,058 | 702,684 | 767,139 | 701,553 | 877,828 | 1,278,970 | 1,079,252 |
| Total Revenues | 26,997,189 | 24,784,828 | 24,687,637 | 23,669,760 | 25,122,374 | 23,885,951 | 25,706,301 | 27,094,981 | 29,383,548 | 34,288,140 |
| Expenditures | | | | | | | | | | |
| <i>Current:</i> | | | | | | | | | | |
| General Government | 6,715,055 | 5,856,255 | 5,604,348 | 5,766,533 | 5,449,967 | 5,202,316 | 5,483,348 | 5,589,191 | 5,941,369 | 6,414,195 |
| <i>Security of Persons and Property:</i> | | | | | | | | | | |
| Police | 5,724,315 | 5,617,250 | 5,332,157 | 5,437,570 | 4,983,010 | 5,072,888 | 4,888,702 | 5,514,183 | 5,675,008 | 6,074,087 |
| Fire | 4,880,108 | 5,051,759 | 5,091,470 | 5,360,909 | 5,096,719 | 5,171,591 | 4,923,945 | 5,194,391 | 5,584,702 | 5,742,723 |
| Transportation | 8,567,602 | 6,900,170 | 4,838,279 | 4,292,719 | 5,575,178 | 5,584,486 | 6,718,751 | 7,495,984 | 7,618,673 | 9,775,658 |
| Community Environment | 1,370,904 | 859,783 | 1,163,349 | 619,530 | 525,336 | 299,035 | 146,428 | 94,711 | 121,045 | 455,526 |
| Basic Utilities Services | 880,792 | 843,424 | 685,053 | 892,274 | 756,499 | 1,101,188 | 907,781 | 929,540 | 904,387 | 1,731,054 |
| Leisure Time Activities | 936,905 | 783,079 | 746,962 | 740,641 | 492,124 | 613,047 | 618,742 | 690,016 | 738,995 | 780,745 |
| Capital Outlay | 1,715,632 | 1,277,088 | 576,632 | 3,172,838 | 445,986 | 587,718 | 985,259 | 1,145,498 | 926,172 | 1,106,668 |
| <i>Debt Service:</i> | | | | | | | | | | |
| Principal Retirement | 327,953 | 1,164,204 | 264,081 | 175,691 | 438,596 | 388,174 | 728,014 | 576,503 | 972,143 | 1,204,417 |
| Interest and Fiscal Changes | 139,122 | 134,923 | 118,684 | 116,222 | 112,800 | 173,042 | 181,383 | 189,523 | 315,508 | 311,543 |
| Insurance Costs | 0 | 0 | 0 | 0 | 156,699 | 0 | 6,928 | 71,950 | 61,187 | 0 |
| Total Expenditures | 31,258,418 | 27,677,935 | 24,421,015 | 26,574,927 | 24,032,914 | 24,193,505 | 25,589,281 | 27,491,490 | 28,859,189 | 33,186,616 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <i>(4,261,229)</i> | <i>(2,893,107)</i> | <i>266,622</i> | <i>(2,905,167)</i> | <i>1,089,460</i> | <i>(307,554)</i> | <i>117,020</i> | <i>(396,509)</i> | <i>524,359</i> | <i>1,101,524</i> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Sale of Capital Assets | 11,101 | 23,339 | 0 | 25,832 | 41,696 | 0 | 16,559 | 40,128 | 650 | 85,844 |
| Refunding Bonds Issues | 0 | 0 | 0 | 0 | 4,850,000 | 0 | 0 | 0 | 0 | 0 |
| Issuance of General Obligation Bonds | 0 | 0 | 0 | 0 | 0 | 0 | 260,000 | 3,436,417 | 2,065,000 | 297,889 |
| Premium on General Obligation Bonds | 0 | 0 | 0 | 0 | 31,481 | 0 | 5,234 | 102,175 | 69,187 | 0 |
| Issuance of Notes | 900,000 | 0 | 0 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 |
| Insurance Recoveries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Loan | 0 | 0 | 0 | 0 | 0 | 100,000 | 0 | 0 | 0 | 0 |
| Inception of Capital Lease | 46,259 | 42,285 | 209,155 | 62,645 | 42,068 | 19,025 | 74,924 | 87,291 | 415,238 | 3,025 |
| Payment for Refunded Note | (200,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 3,420,697 | 2,884,584 | 2,503,682 | 1,965,487 | 2,396,777 | 1,610,036 | 1,691,615 | 1,342,353 | 1,398,490 | 1,644,833 |
| Transfers Out | (3,460,487) | (2,901,007) | (2,518,034) | (1,979,676) | (2,417,606) | (1,635,479) | (1,703,447) | (1,570,887) | (1,434,069) | (1,673,475) |
| Total Other Financing Sources (Uses) | 717,570 | 49,201 | 194,803 | 74,288 | 4,944,416 | 393,582 | 344,885 | 3,637,477 | 2,514,496 | 358,116 |
| Net Change in Fund Balances | (\$3,543,659) | (\$2,843,906) | \$461,425 | (\$2,830,879) | \$6,033,876 | \$86,028 | \$461,905 | \$3,240,968 | \$3,038,855 | \$1,459,640 |
| Debt Service as a Percentage of Noncapital Expenditures | 1.9% | 5.3% | 1.6% | 1.3% | 2.5% | 2.5% | 3.8% | 3.3% | 4.9% | 5.0% |

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

| Collection Year | Real Property | | Tangible Personal Property | | | | Total | | | |
|-----------------|--|------------------------|----------------------------|------------------------|------------------|------------------------|----------------|------------------------|------------------------|-------------|
| | Assessed Value | | Public Utility | | General Business | | Assessed Value | | Estimated Actual Value | |
| | Residential/Agricultural/Commercial/Industrial | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio | Direct Rate |
| 2009 | \$396,324,680 | \$1,132,256,229 | \$15,266,240 | \$17,348,000 | \$2,605,380 | \$20,843,040 | \$414,196,300 | \$1,170,447,269 | 35.39% | 3.20 |
| 2010 | 397,696,220 | 1,136,274,914 | 17,742,500 | 20,161,932 | 1,250,990 | 20,015,840 | 416,689,710 | 1,176,452,686 | 35.42% | 3.20 |
| 2011 | 390,798,540 | 1,116,567,257 | 18,993,540 | 21,583,568 | 0 | 0 | 409,792,080 | 1,138,150,825 | 36.01% | 3.20 |
| 2012 | 383,333,450 | 1,095,238,429 | 20,775,130 | 23,608,102 | 0 | 0 | 404,108,580 | 1,118,846,531 | 36.12% | 3.20 |
| 2013 | 382,797,100 | 1,093,706,000 | 21,039,510 | 23,908,534 | 0 | 0 | 403,836,610 | 1,117,614,534 | 36.13% | 3.20 |
| 2014 | 373,143,320 | 1,066,123,771 | 22,222,520 | 25,252,864 | 0 | 0 | 395,365,840 | 1,091,376,635 | 36.23% | 3.20 |
| 2015 | 367,212,160 | 1,049,177,600 | 22,622,080 | 25,706,909 | 0 | 0 | 389,834,240 | 1,074,884,509 | 36.27% | 3.20 |
| 2016 | 372,366,600 | 1,063,904,571 | 23,142,100 | 26,297,841 | 0 | 0 | 395,508,700 | 1,090,202,412 | 36.28% | 3.20 |
| 2017 | 387,403,970 | 1,106,868,485 | 22,280,280 | 25,318,500 | 0 | 0 | 409,684,250 | 1,132,186,985 | 36.19% | 3.20 |
| 2018 | 394,846,980 | 1,128,134,228 | 31,781,860 | 36,115,750 | 0 | 0 | 426,628,840 | 1,164,249,978 | 36.64% | 3.20 |

Source: Ross County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006, both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. In 2009, tangible personal property consisted only of telephone/telecommunications property. This property was assessed at 12.50 percent for 2009, 6.25 percent for 2010, and zero for 2011.

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

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

| <u>Direct Tax Rate:</u> | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| City of Chillicothe Millage | | | | | | | | | | |
| General Operating | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 |
| Police Pension | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Fire Pension | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| <i>Total City Direct Rate Millage</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> | <i>3.20</i> |
| <u>Overlapping Rates by Taxing District:</u> | | | | | | | | | | |
| Ross County Millage | | | | | | | | | | |
| Operating | 11.70 | 11.70 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 12.80 | 12.70 | 13.70 |
| <i>Total County Millage</i> | <i>11.70</i> | <i>11.70</i> | <i>12.50</i> | <i>12.50</i> | <i>12.50</i> | <i>12.50</i> | <i>12.50</i> | <i>12.80</i> | <i>12.70</i> | <i>13.70</i> |
| Chillicothe City School District Millage | | | | | | | | | | |
| Operating | 46.20 | 46.20 | 46.20 | 46.20 | 46.20 | 53.30 | 53.40 | 50.20 | 50.10 | 49.90 |
| Debt Service | 4.47 | 4.47 | 4.80 | 4.80 | 4.80 | 5.80 | 5.80 | 8.79 | 7.90 | 7.90 |
| <i>Total School Millage</i> | <i>50.67</i> | <i>50.67</i> | <i>51.00</i> | <i>51.00</i> | <i>51.00</i> | <i>59.10</i> | <i>59.20</i> | <i>58.99</i> | <i>58.00</i> | <i>57.80</i> |
| Other Millage | | | | | | | | | | |
| Operating | 4.80 | 4.80 | 5.80 | 5.80 | 5.80 | 5.80 | 5.80 | 6.30 | 6.70 | 6.30 |
| <i>Total Other Millage</i> | <i>4.80</i> | <i>4.80</i> | <i>5.80</i> | <i>5.80</i> | <i>5.80</i> | <i>5.80</i> | <i>5.80</i> | <i>6.30</i> | <i>6.70</i> | <i>6.30</i> |
| <i>Total Direct and Overlapping Millage</i> | <i>70.37</i> | <i>70.37</i> | <i>72.50</i> | <i>72.50</i> | <i>72.50</i> | <i>80.60</i> | <i>80.70</i> | <i>81.29</i> | <i>80.60</i> | <i>81.00</i> |

Source: Ross County Auditor

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

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

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

| Year | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections To Tax Levy | Delinquent Tax Collections (1) | Total Tax Collections (2) | Percent of Total Tax Collections To Tax Levy | Total Outstanding Delinquent Taxes | Percentage of Delinquent Taxes to Total Tax Levy |
|------|------------------------|-------------------------------|---|--------------------------------------|---------------------------------|---|---|---|
| 2009 | \$1,286,895 | \$1,245,462 | 96.78% | \$41,434 | \$1,286,896 | 100.00% | \$60,422 | 4.70% |
| 2010 | 1,294,281 | 1,256,523 | 97.08% | 37,818 | 1,294,341 | 100.00% | 64,742 | 5.00% |
| 2011 | 1,272,921 | 1,210,720 | 95.11% | 51,912 | 1,262,632 | 99.19% | 41,513 | 3.26% |
| 2012 | 1,253,115 | 1,205,570 | 96.21% | 28,702 | 1,234,272 | 98.50% | 44,015 | 3.51% |
| 2013 | 1,252,173 | 1,215,108 | 97.04% | 29,323 | 1,244,431 | 99.38% | 38,815 | 3.10% |
| 2014 | 1,224,221 | 1,174,894 | 95.97% | 28,692 | 1,203,586 | 98.31% | 50,917 | 4.16% |
| 2015 | 1,205,250 | 1,175,627 | 97.54% | 34,804 | 1,210,431 | 100.43% | 50,212 | 4.17% |
| 2016 | 1,228,868 | 1,186,274 | 96.53% | 44,329 | 1,230,603 | 100.14% | 60,414 | 4.92% |
| 2017 | 1,275,881 | 1,224,152 | 95.95% | 49,437 | 1,273,589 | 99.82% | 47,670 | 3.74% |
| 2018 | 1,333,292 | 1,284,296 | 96.33% | 56,811 | 1,341,107 | 100.59% | 55,005 | 4.13% |

Source: Ross County Auditor

(1) The County Auditor collects property taxes on behalf of the City. In Ohio, delinquent taxes collected each year are not reported individually back to the tax year in which they become delinquent. The County Auditor's current tax collection system does not permit the identification of delinquent tax collection by tax levy year.

(2) Total tax collections include current levied taxes and delinquent taxes from prior years' taxes levied; therefore, the total percent collected may exceed 100% of the current taxes levied.

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate and PU-PP Tax
2018 and 2009

| 2018 | | |
|----------------------------|---|--|
| Taxpayer | Real Property Assessed Valuation (1) | Percentage of Real Assessed Valuation |
| Ohio Power Company | \$27,071,480 | 6.35% |
| Chillicothe TK Owner LLC | 6,238,750 | 1.46% |
| Columbia Gas of Ohio | 4,301,310 | 1.01% |
| Chillicothe Mall Inc. | 4,255,300 | 1.00% |
| Central Center LTD | 2,791,830 | 0.65% |
| Menard Inc. | 2,638,650 | 0.62% |
| National Church Residence | 2,620,840 | 0.61% |
| Zane Plaza LLC | 2,532,860 | 0.59% |
| Kmart Corporation | 2,310,010 | 0.54% |
| Sam's Real Estate Business | 2,222,700 | 0.52% |
| Total | \$56,983,730 | 13.36% |
| Total Assessed Valuation | \$426,628,840 | |
| 2009 | | |
| Taxpayer | Real Property Assessed Valuation (1) | Percentage of Real Assessed Valuation |
| P.H. Glatfelter | \$18,160,380 | 4.38% |
| Chillicothe Mall Inc. | 4,220,620 | 1.02% |
| DDR Chillicothe LLC | 3,978,530 | 0.96% |
| Central Center LTD | 3,101,500 | 0.75% |
| Pittsburgh GlassWorks, LLC | 2,911,100 | 0.70% |
| Sam's Real Estate Business | 2,629,020 | 0.63% |
| Zane Plaza LLC | 2,399,090 | 0.58% |
| Kmart Corporation | 2,311,240 | 0.56% |
| RG Chilli Associates LTD. | 1,823,400 | 0.44% |
| QNP Corporation | 1,764,270 | 0.43% |
| Total | \$43,299,150 | 10.45% |
| Total Assessed Valuation | \$414,196,300 | |

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

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

| TAX YEAR | TAX RATE | TOTAL TAX COLLECTED | TAXES FROM WITHHOLDING | PERCENTAGE OF TAXES FROM WITHHOLDING | TAXES FROM NET PROFITS | PERCENTAGE OF TAXES FROM NET PROFITS | TAXES FROM INDIVIDUALS | PERCENTAGE OF TAXES FROM INDIVIDUALS |
|-------------|-------------|------------------------|---------------------------|---|---------------------------|---|------------------------------|---|
| 2009 | 1.60% | \$10,498,943 | \$8,433,031 | 80.32% | \$1,236,915 | 11.78% | \$828,997 | 7.90% |
| 2010 | 1.60% | 10,669,085 | 8,626,375 | 80.85% | 1,301,488 | 12.20% | 741,222 | 6.95% |
| 2011 | 1.60% | 10,824,546 | 8,718,614 | 80.54% | 1,347,319 | 12.45% | 758,613 | 7.01% |
| 2012 | 1.60% | 11,010,045 | 9,033,890 | 82.05% | 1,143,223 | 10.38% | 832,932 | 7.57% |
| 2013 | 1.60% | 11,244,828 | 9,032,367 | 80.32% | 1,341,249 | 11.93% | 871,212 | 7.75% |
| 2014 | 1.60% | 11,093,640 | 9,051,918 | 81.60% | 1,159,502 | 10.45% | 882,220 | 7.95% |
| 2015 | 1.60% | 11,644,732 | 9,313,648 | 79.98% | 1,372,129 | 11.78% | 958,955 | 8.24% |
| 2016 | 2.00% | 14,485,410 | 11,895,696 | 82.12% | 1,634,125 | 11.28% | 955,589 | 6.60% |
| 2017 | 2.00% | 15,251,845 | 12,176,357 | 79.84% | 1,833,424 | 12.02% | 1,242,064 | 8.14% |
| 2018 | 2.00% | 15,512,310 | 12,549,230 | 80.90% | 1,713,317 | 11.04% | 1,249,763 | 8.06% |

Source: City Income Tax Department

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

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

| YEAR | Governmental Activities | | | | | Business-Type Activities | | | | | PERCENTAGE OF PERSONAL INCOME | TOTAL DEBT | PER CAPITA |
|------|--------------------------|------------|-----------------|---------|----------------|--------------------------|------------------------|-----------------|----------------|------------|-------------------------------|-------------|------------|
| | GENERAL OBLIGATION BONDS | OPWC LOANS | LONG TERM NOTES | LOANS | CAPITAL LEASES | GENERAL OBLIGATION BONDS | MORTGAGE REVENUE BONDS | LONG TERM NOTES | CAPITAL LEASES | | | | |
| | | | | | | | | | | | | | |
| 2009 | \$870,000 | \$63,063 | \$0 | \$0 | \$114,276 | \$1,595,000 | \$5,665,000 | \$0 | \$0 | \$0 | 1.68% | \$8,307,339 | \$373 |
| 2010 | 660,000 | 50,450 | 0 | 0 | 107,864 | 1,510,000 | 4,615,000 | 0 | 0 | 0 | 1.48% | 6,943,314 | 317 |
| 2011 | 450,000 | 37,838 | 0 | 0 | 270,679 | 1,415,000 | 3,520,000 | 0 | 0 | 0 | 1.22% | 5,693,517 | 260 |
| 2012 | 355,000 | 25,225 | 0 | 0 | 258,451 | 1,320,000 | 2,390,000 | 2,441,000 | 0 | 0 | 1.45% | 6,789,676 | 310 |
| 2013 | 4,850,000 | 12,613 | 0 | 0 | 223,699 | 1,670,000 | 1,215,000 | 2,441,000 | 15,011 | 10,427,323 | 2.23% | 476 | |
| 2014 | 4,550,000 | 0 | 300,000 | 100,000 | 167,163 | 1,150,000 | 0 | 2,441,000 | 11,939 | 8,720,102 | 1.83% | 398 | |
| 2015 | 4,523,209 | 0 | 0 | 75,000 | 154,073 | 3,231,255 | 0 | 0 | 8,644 | 7,992,181 | 1.64% | 368 | |
| 2016 | 7,604,636 | 0 | 0 | 50,000 | 136,767 | 2,685,493 | 0 | 0 | 5,415 | 10,482,311 | 2.08% | 479 | |
| 2017 | 8,894,053 | 0 | 0 | 25,000 | 423,454 | 2,134,732 | 0 | 0 | 1,323 | 11,478,562 | 2.29% | 534 | |
| 2018 | 8,110,851 | 0 | 0 | 0 | 301,892 | 1,578,971 | 0 | 0 | 0 | 9,991,714 | 1.99% | 456 | |

Source: City Auditor's Office

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

| YEAR | POPULATION (1) | ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (2) | GROSS BONDED DEBT (3) | RATIO OF GROSS BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY | GROSS BONDED DEBT PER CAPITA |
|------|----------------|---|-----------------------------|--|------------------------------------|
| 2009 | 22,296 | \$1,170,447,269 | \$8,130,000 | 0.69% | \$365 |
| 2010 | 21,901 | 1,176,452,686 | 6,785,000 | 0.58% | 310 |
| 2011 | 21,901 | 1,138,150,825 | 5,385,000 | 0.47% | 246 |
| 2012 | 21,901 | 1,118,846,531 | 4,065,000 | 0.36% | 186 |
| 2013 | 21,901 | 1,117,614,534 | 7,735,000 | 0.69% | 353 |
| 2014 | 21,899 | 1,091,376,635 | 5,700,000 | 0.52% | 260 |
| 2015 | 21,738 | 1,074,884,509 | 7,754,464 | 0.72% | 357 |
| 2016 | 21,901 | 1,090,202,412 | 10,290,129 | 0.94% | 470 |
| 2017 | 21,499 | 1,132,186,985 | 11,028,785 | 0.97% | 513 |
| 2018 | 21,901 | 1,164,249,978 | 9,689,822 | 0.83% | 442 |

Sources:

- (1) U.S. Census Bureau
- (2) Ross County Auditor
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

CITY OF CHILLICOTHE, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2018

| JURISDICTION | GOVERNMENTAL ACTIVITIES DEBT OUTSTANDING | PERCENTAGE APPLICABLE TO CITY (1) | AMOUNT APPLICABLE TO CITY |
|-------------------------------------|--|---|---------------------------------|
| DIRECT - CITY OF CHILLICOTHE | | | |
| CAPITAL LEASES | \$301,892 | 100.00% | \$301,892 |
| GENERAL OBLIGATION BONDS | 8,110,851 | 100.00% | 8,110,851 |
| TOTAL DIRECT DEBT | 8,412,743 | | 8,412,743 |
| OVERLAPPING | | | |
| ROSS COUNTY | 11,268,774 | 31.66% | 3,567,694 |
| CHILLICOTHE CITY SCHOOLS | 40,987,054 | 92.31% | 37,835,150 |
| UNION-SCIOTO LOCAL SCHOOLS | 979,092 | 18.35% | 179,663 |
| SOUTHEASTERN LOCAL SCHOOLS | 1,082,206 | 1.65% | 17,856 |
| SCIOTO TOWNSHIP | 466,957 | 83.21% | 388,555 |
| SPRINGFIELD TOWNSHIP | 113,374 | 3.79% | 4,297 |
| TOTAL OVERLAPPING DEBT | 54,897,457 | | 41,993,215 |
| TOTAL | \$63,310,200 | | \$50,405,958 |

Sources: Chillicothe City Auditor and Ross County Auditor

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

CITY OF CHILlicothe, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Assessed Property Value | \$414,196,300 | \$416,689,710 | \$409,792,080 | \$404,108,580 | \$403,836,610 | \$395,365,840 | \$389,834,240 | \$395,508,700 | \$409,684,250 | \$426,628,840 |
| Overall Legal Debt Limit (10 1/2% of Assessed Valuation) | 43,490,612 | 43,752,420 | 43,028,168 | 42,431,401 | 42,402,844 | 41,513,413 | 40,932,595 | 41,528,414 | 43,016,846 | 44,796,028 |
| Debt Outstanding: | | | | | | | | | | |
| General Obligation Bonds | 870,000 | 660,000 | 450,000 | 355,000 | 4,850,000 | 4,550,000 | 4,495,000 | 7,479,813 | 8,715,822 | 7,958,881 |
| General Obligation Bonds - Enterprise | 1,595,000 | 1,510,000 | 1,415,000 | 1,320,000 | 1,670,000 | 1,150,000 | 3,170,000 | 2,635,000 | 2,095,000 | 1,550,000 |
| General Obligation Revenue Bonds | 5,665,000 | 4,615,000 | 3,520,000 | 2,390,000 | 1,215,000 | 0 | 0 | 0 | 0 | 0 |
| OPWC Loans | 63,063 | 50,450 | 37,838 | 25,225 | 12,613 | 0 | 0 | 0 | 0 | 0 |
| Loan Payable | 0 | 0 | 0 | 0 | 0 | 100,000 | 75,000 | 50,000 | 25,000 | 0 |
| Notes Payable | 4,800,000 | 4,400,000 | 8,341,000 | 7,681,000 | 2,441,000 | 2,741,000 | 0 | 0 | 0 | 0 |
| Total Gross Indebtedness | 12,993,063 | 11,235,450 | 13,763,838 | 11,771,225 | 10,188,613 | 8,541,000 | 7,740,000 | 10,164,813 | 10,835,822 | 9,508,881 |
| Less: | | | | | | | | | | |
| Notes Payable from Governmental Fund Revenues | 4,800,000 | 4,400,000 | 5,100,000 | 4,640,000 | 0 | 300,000 | 0 | 0 | 0 | 0 |
| Notes Payable from Enterprise Fund Revenues | 0 | 0 | 3,241,000 | 3,041,000 | 2,441,000 | 2,441,000 | 0 | 0 | 0 | 0 |
| Revenue Bonds Payable from Enterprise Fund Revenues | 5,665,000 | 4,615,000 | 3,520,000 | 2,390,000 | 1,215,000 | 0 | 0 | 0 | 0 | 0 |
| G.O. Bonds Payable from Enterprise Fund Revenues | 1,595,000 | 1,510,000 | 1,415,000 | 1,320,000 | 1,670,000 | 1,150,000 | 3,170,000 | 2,635,000 | 2,095,000 | 1,550,000 |
| OPWC Loan Payable from Governmental Fund Revenues | 63,063 | 50,450 | 37,838 | 25,225 | 12,613 | 0 | 0 | 0 | 0 | 0 |
| Loan Payable from Governmental Fund Revenues | 0 | 0 | 0 | 0 | 0 | 100,000 | 75,000 | 50,000 | 25,000 | 0 |
| Bond Retirement Fund Balance | 16,591 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 110,707 |
| Total Net Debt Applicable to Debt Limit | 853,409 | 643,354 | 433,354 | 338,354 | 4,833,354 | 4,533,354 | 4,478,354 | 7,463,167 | 8,699,176 | 7,848,174 |
| Legal Debt Margin Within 10 1/2% Limitations | \$42,637,203 | \$43,109,066 | \$42,594,814 | \$42,093,047 | \$37,569,490 | \$36,980,059 | \$36,454,241 | \$34,065,247 | \$34,317,670 | \$36,947,854 |
| Legal Debt Margin as a Percentage of the Debt Limit | 98.04% | 98.53% | 98.99% | 99.20% | 88.60% | 89.08% | 89.06% | 82.03% | 79.78% | 82.48% |
| Unvoted Debt Limitation (5 1/2% of Assessed Valuation) | \$22,780,797 | \$22,917,934 | \$22,538,564 | \$22,225,972 | \$22,211,014 | \$21,745,121 | \$21,440,883 | \$21,752,979 | \$22,532,634 | \$23,464,586 |
| Total Gross Indebtedness | 12,993,063 | 11,235,450 | 13,763,838 | 11,771,225 | 10,188,613 | 8,541,000 | 7,740,000 | 10,164,813 | 10,835,822 | 9,508,881 |
| Less: | | | | | | | | | | |
| Notes Payable from Governmental Fund Revenues | 4,800,000 | 4,400,000 | 5,100,000 | 4,640,000 | 0 | 300,000 | 0 | 0 | 0 | 0 |
| Notes Payable from Enterprise Fund Revenues | 0 | 0 | 3,241,000 | 3,041,000 | 2,441,000 | 2,441,000 | 0 | 0 | 0 | 0 |
| Revenue Bonds Payable from Enterprise Fund Revenues | 5,665,000 | 4,615,000 | 3,520,000 | 2,390,000 | 1,215,000 | 0 | 0 | 0 | 0 | 0 |
| G.O. Bonds Payable from Enterprise Fund Revenues | 1,595,000 | 1,510,000 | 1,415,000 | 1,320,000 | 1,670,000 | 1,150,000 | 3,170,000 | 2,635,000 | 2,095,000 | 1,550,000 |
| OPWC Loan Payable from Governmental Fund Revenues | 63,063 | 50,450 | 37,838 | 25,225 | 12,613 | 0 | 0 | 0 | 0 | 0 |
| Loan Payable from Governmental Fund Revenues | 0 | 0 | 0 | 0 | 0 | 100,000 | 75,000 | 50,000 | 25,000 | 0 |
| Bond Retirement Fund Balance | 16,591 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 16,646 | 110,707 |
| Net Debt Within 5 1/2% Limitations | 853,409 | 643,354 | 433,354 | 338,354 | 4,833,354 | 4,533,354 | 4,478,354 | 7,463,167 | 8,699,176 | 7,848,174 |
| Unvoted Legal Debt Margin Within 5 1/2% Limitations | \$21,927,388 | \$22,274,580 | \$22,105,210 | \$21,887,618 | \$17,377,660 | \$17,211,767 | \$16,962,529 | \$14,289,812 | \$13,833,458 | \$15,616,412 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 96.25% | 97.19% | 98.08% | 98.48% | 78.24% | 79.15% | 79.11% | 65.69% | 61.39% | 66.55% |

Source: City Financial Records

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

| YEAR | WATER SERVICE CHARGES AND INTEREST | DIRECT OPERATING EXPENSES (1) | NET AVAILABLE REVENUES | DEBT SERVICE | | |
|------|--|-------------------------------------|---------------------------|--------------|-----------|----------|
| | | | | PRINCIPAL | INTEREST | COVERAGE |
| 2009 | \$4,401,980 | \$3,310,974 | \$1,091,006 | \$1,010,000 | \$266,817 | 0.85 |
| 2010 | 4,439,150 | 2,863,090 | 1,576,060 | 1,050,000 | 226,417 | 1.23 |
| 2011 | 4,518,780 | 3,919,286 | 599,494 | 1,095,000 | 184,418 | 0.47 |
| 2012 | 3,749,394 | 2,770,143 | 979,251 | 1,130,000 | 147,188 | 0.77 |
| 2013 | 4,467,383 | 2,976,961 | 1,490,422 | 1,175,000 | 104,813 | 1.16 |
| 2014 | 4,343,590 | 3,056,584 | 1,287,006 | 1,215,000 | 60,750 | 1.01 |
| 2015 | 4,389,716 | 2,392,092 | 1,997,624 | 0 | 0 | 0.00 |
| 2016 | 4,276,662 | 2,921,545 | 1,355,117 | 0 | 0 | 0.00 |
| 2017 | 4,345,361 | 3,200,873 | 1,144,488 | 0 | 0 | 0.00 |
| 2018 | 4,421,534 | 3,349,185 | 1,072,349 | 0 | 0 | 0.00 |

Source: City Auditor's Office

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

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

| Year | Population (1) | Total Personal Income (5) | Personal Income Per Capita (1) | Median Age (1) | School Enrollment (2) | Unemployment Rate (3) | Total Assessed Property Value (4) |
|------|----------------|------------------------------|--------------------------------------|-------------------|--------------------------|--------------------------|--|
| 2009 | 22,296 | \$494,525,280 | \$22,180 | 40.0 | 3,122 | 12.5% | \$414,196,300 |
| 2010 | 21,901 | 468,528,093 | 21,393 | 40.0 | 3,118 | 10.8% | 416,689,710 |
| 2011 | 21,901 | 468,528,093 | 21,393 | 40.0 | 2,905 | 8.7% | 409,792,080 |
| 2012 | 21,901 | 468,528,093 | 21,393 | 40.0 | 3,051 | 8.2% | 404,108,580 |
| 2013 | 21,901 | 468,528,093 | 21,393 | 40.0 | 2,891 | 8.5% | 403,836,610 |
| 2014 | 21,899 | 476,872,624 | 21,776 | 40.0 | 3,073 | 6.3% | 395,365,840 |
| 2015 | 21,738 | 486,822,510 | 22,395 | 40.0 | 3,199 | 5.4% | 389,834,240 |
| 2016 | 21,901 | 504,358,129 | 23,029 | 40.0 | 3,344 | 5.2% | 395,508,700 |
| 2017 | 21,499 | 502,173,375 | 23,358 | 43.0 | 3,174 | 4.9% | 409,684,250 |
| 2018 | 21,901 | 503,241,123 | 22,978 | 42.5 | 3,473 | 6.6% | 426,628,840 |

Sources:

- (1) U.S. Census Bureau
- (2) Chillicothe Board of Education/Bishop Flaget Parochial School Office/Ross County Christian Academy
- (3) U.S. Bureau of Labor Statistics. Information prior to 2008 is for Ross County because City data was unavailable.
- (4) Ross County Auditor
- (5) Computation of per capita personal income multiplied by population

CITY OF CHILLICOTHE, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

| 2018 | | | |
|----------------------------------|--------------------|-----------|-------------------------------------|
| Employer | Nature of Business | Employees | Percentage of Total City Employment |
| Pixelle Paper Company | Paper Industry | 1,078 | 14.91% |
| Wal-Mart | Retail | 905 | 12.51% |
| Ross County | County Government | 626 | 8.66% |
| Chillicothe City Schools | Education | 620 | 8.57% |
| Ohio University-Chillicothe | College Campus | 472 | 6.53% |
| City of Chillicothe | City Government | 290 | 4.01% |
| Lowe's | Retail | 254 | 3.51% |
| Menards | Retail | 235 | 3.25% |
| Charter Communications | Cable TV/Internet | 133 | 1.84% |
| Horizon Family of Companies | Communications | 120 | 1.66% |
| Total | | 4,733 | 65.45% |
| Total Employment Within the City | | 7,232 | 100.00% |

| 2009 | | | |
|----------------------------------|--------------------|-----------|-------------------------------------|
| Employer | Nature of Business | Employees | Percentage of Total City Employment |
| Glatfelter Paper Company | Paper Industry | 1,450 | 4.82% |
| Ross County | County Government | 529 | 1.76% |
| Chillicothe City Schools | Education | 350 | 1.16% |
| City of Chillicothe | City Government | 290 | 0.96% |
| Lowe's | Retail | 230 | 0.76% |
| Wal-Mart | Retail | 210 | 0.70% |
| Horizon Family of Companies | Communications | 200 | 0.66% |
| Ohio University-Chillicothe | College Campus | 170 | 0.56% |
| Adelphia | Cable TV/Internet | 122 | 0.41% |
| American Electric Power | Utility Center | 14 | 0.05% |
| Total | | 3,565 | 11.84% |
| Total Employment Within the City | | 30,100 | 100.00% |

Source: City Income Tax Department (number of employees obtained from W2's)

CITY OF CHILlicothe, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION PROGRAM
LAST TEN YEARS

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | | | | | |
| Square Footage Occupied | 39,577 | 39,577 | 39,577 | 39,577 | 39,577 | 39,577 | 39,577 | 39,577 | 39,577 | 39,577 |
| Administrative Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Engineering Vehicles | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 7 | 3 | 6 |
| Municipal Court Vehicles | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 4 | 2 | 3 |
| Service Department Vehicles | 34 | 34 | 34 | 35 | 34 | 36 | 40 | 43 | 42 | 34 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square Footage of Building | 29,090 | 29,090 | 36,392 | 36,392 | 36,392 | 36,392 | 36,392 | 36,392 | 36,392 | 36,392 |
| Vehicles | 22 | 26 | 33 | 33 | 34 | 32 | 38 | 39 | 31 | 39 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square Footage of Building | 23,476 | 23,476 | 23,476 | 23,476 | 23,476 | 23,476 | 23,476 | 23,476 | 23,476 | 23,476 |
| Vehicles | 27 | 27 | 27 | 28 | 28 | 27 | 26 | 26 | 19 | 20 |
| Recreation | | | | | | | | | | |
| Number of Parks | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Number of Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Tennis Courts | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of Baseball Diamonds | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Number of Tot Lots | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 6 | 6 |
| Number of Soccer Fields | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Vehicles | 21 | 21 | 21 | 22 | 22 | 23 | 25 | 25 | 26 | 20 |
| Volleyball Courts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| Floodwall | | | | | | | | | | |
| Miles | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Transportation | | | | | | | | | | |
| Square Footage of Building | 26,157 | 18,855 | 18,855 | 18,855 | 18,855 | 18,855 | 18,855 | 18,855 | 18,855 | 18,855 |
| Vehicles | 24 | 21 | 23 | 16 | 20 | 20 | 24 | 23 | 25 | 25 |
| Water Department | | | | | | | | | | |
| Water Lines (miles) | 133 | 133 | 136 | 136 | 136 | 136 | 136 | 136 | 137 | 137 |
| Vehicles | 20 | 21 | 21 | 19 | 19 | 19 | 21 | 21 | 16 | 18 |
| Sewer Department | | | | | | | | | | |
| Sewer Lines/Storm Sewer (miles) | 103 | 103 | 105 | 105 | 106 | 106 | 106 | 106 | 106 | 106 |
| Vehicles | 26 | 28 | 29 | 25 | 26 | 26 | 14 | 14 | 21 | 22 |

Sources: Chillicothe City Auditor and Chillicothe City Engineer

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

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------------|------|------|------|-------|------|-------|-------|------|------|-------|
| General Government | | | | | | | | | | |
| Council | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Auditor | 6.5 | 5.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 5 | 4.5 | 3.5 |
| Income Tax | 3 | 3 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| Treasurer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mayor | 5.5 | 4.5 | 4.5 | 4.5 | 4.5 | 3.5 | 3.5 | 3.5 | 4 | 4 |
| Law Director | 7 | 6.5 | 5.5 | 6 | 5 | 5 | 5 | 6 | 6 | 6 |
| Engineering | 6 | 7 | 6 | 6 | 6 | 6 | 5 | 5 | 5.5 | 6 |
| Civil Service | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 0 | 0 | 1.5 | 1.5 | 0 |
| Municipal Court | 23.5 | 23.5 | 23 | 21.5 | 23 | 19 | 22 | 22 | 20.5 | 20.5 |
| Security of Persons and Property | | | | | | | | | | |
| Police | 54.5 | 50 | 51 | 50.5 | 48 | 44 | 46 | 53 | 53 | 57 |
| Fire | 47 | 42 | 47 | 47 | 44 | 43 | 39 | 43 | 45 | 49 |
| School Crossing Guards | 7.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Traffic Control-Meters | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Leisure Time Activities | | | | | | | | | | |
| Parks | 5 | 4 | 4 | 4 | 1 | 1 | 1.5 | 3 | 3 | 3.5 |
| Recreation | 4 | 3 | 3 | 3 | 3 | 5 | 3.5 | 4 | 5 | 3.5 |
| Transportation | | | | | | | | | | |
| Service | 27 | 22 | 20 | 20 | 18 | 17 | 17 | 14 | 24 | 24.5 |
| Transit | 24 | 23 | 23 | 23 | 31 | 30.5 | 31 | 33 | 41 | 34.5 |
| Basic Utility Services | | | | | | | | | | |
| Water | 29 | 25.5 | 28.5 | 28 | 27 | 26.5 | 26 | 26.5 | 25.5 | 27 |
| Sewer | 17.5 | 16.5 | 17 | 16.5 | 16 | 15 | 16 | 15 | 15 | 16 |
| Totals: | 277 | 245 | 249 | 245.5 | 242 | 229.5 | 229.5 | 245 | 264 | 265.5 |

Source: City Payroll Department W-2 Audit Listing

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

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

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | | | | | | | | | | |
| <i>Council and Clerk</i> | | | | | | | | | | |
| Number of Ordinances Passed | 158 | 103 | 125 | 103 | 107 | 115 | 133 | 95 | 115 | 115 |
| Number of Resolutions Passed | 26 | 19 | 20 | 22 | 19 | 16 | 16 | 17 | 28 | 14 |
| Number of Planning Commission Docket Items | 6 | 10 | 10 | 12 | 13 | 12 | 13 | 16 | 13 | 16 |
| Zoning Board of Appeals Docket Items | 23 | 32 | 20 | 21 | 19 | 9 | 18 | 21 | 18 | 36 |
| Design & Review Board Docket Items | 55 | 27 | 32 | 37 | 41 | 35 | 40 | 49 | 32 | 38 |
| <i>Finance Department</i> | | | | | | | | | | |
| Number of Checks/Vouchers Issued | 6,290 | 5,185 | 5,197 | 5,482 | 4,853 | 5,144 | 5,289 | 4,798 | 5,221 | 5,138 |
| Amount of Checks Written | \$42,906,483 | \$34,508,413 | \$38,000,816 | \$43,661,426 | \$44,504,621 | \$34,821,083 | \$34,912,698 | \$29,655,614 | \$29,523,145 | \$31,016,337 |
| Interest Earnings for fiscal year (cash basis) | \$203,115 | \$59,358 | \$54,710 | \$34,509 | \$17,995 | \$16,882 | \$15,131 | \$46,212 | \$56,528 | \$155,123 |
| Number of Receipts Issued | 2,340 | 2,491 | 2,194 | 2,049 | 2,047 | 2,398 | 2,325 | 2,216 | 3,054 | 2,819 |
| Agency Ratings - Moody's Financial Services | A2 | A2 | A2 | A2 | A2 | A2 | A2 | A2 | A2 | A2 |
| General Fund Receipts (cash basis) | \$19,634,492 | \$16,075,288 | \$18,270,177 | \$17,611,705 | \$18,020,422 | \$16,173,260 | \$16,385,326 | \$18,509,640 | \$19,797,937 | \$19,910,249 |
| General Fund Expenditures (cash basis) | \$19,145,869 | \$17,039,755 | \$18,494,994 | \$20,203,210 | \$18,698,612 | \$16,583,845 | \$16,002,738 | \$17,918,806 | \$18,218,572 | \$20,592,475 |
| General Fund Cash Balances | \$3,520,378 | \$2,587,572 | \$2,772,711 | \$1,022,988 | \$1,191,040 | \$1,144,727 | \$1,770,329 | \$2,010,718 | \$2,667,376 | \$2,926,904 |
| <i>Income Tax Department</i> | | | | | | | | | | |
| Number of Individual Returns | 8,176 | 6,715 | 12,665 | 8,180 | 7,116 | 5,979 | 6,489 | 6,251 | 6,383 | 6,984 |
| Amount of Business Returns | 2,359 | 2,141 | 2,888 | 2,338 | 2,177 | 1,899 | 2,022 | 2,082 | 1,982 | 2,094 |
| Number of Business Withholding Accounts | 1,952 | 1,862 | 1,968 | 2,087 | 2,206 | 2,127 | 2,086 | 2,239 | 2,224 | 2,422 |
| Amount of Penalties and Interest Collected | \$107,958 | \$63,209 | \$49,456 | \$45,888 | \$34,077 | \$61,556 | \$119,010 | \$69,032 | \$78,576 | \$94,785 |
| Annual Number of Corporate Withholding Forms Processed | 11,365 | 11,530 | 11,835 | 11,937 | 11,877 | 11,941 | 13,190 | 16,614 | 16,344 | 16,188 |
| Annual Number of Balance Due Statements Forms Processed | 1,948 | 1,985 | 1,683 | 1,662 | 1,562 | 1,403 | 1,658 | 1,356 | 1,528 | 1,499 |
| Annual Number of Estimated Payment Forms Processed | 2,414 | 1,892 | 2,053 | 2,094 | 1,823 | 1,378 | 1,576 | 1,696 | 1,502 | 1,427 |
| Annual Number of Reconciliations of Withholding Processed | 1,714 | 1,347 | 1,526 | 1,360 | 1,658 | 1,698 | 1,732 | 1,821 | 1,981 | 1,926 |
| <i>Engineering Department</i> | | | | | | | | | | |
| Dollar Amount of Construction Overseen by Engineer | \$1,000,000 | \$700,000 | \$700,000 | \$500,000 | \$1,500,000 | \$1,200,000 | \$1,200,000 | \$1,200,000 | \$1,893,070 | \$1,101,149 |
| <i>Municipal Court</i> | | | | | | | | | | |
| Number of Civil Cases | 1,895 | 1,568 | 1,634 | 1,698 | 1,384 | 1,292 | 1,311 | 1,392 | 1,793 | 2,161 |
| Amount of Criminal Cases | 4,122 | 3,684 | 4,110 | 3,590 | 3,737 | 3,348 | 3,082 | 3,853 | 4,228 | 4,302 |
| Amount of Traffic Cases | 10,121 | 8,663 | 9,023 | 10,014 | 8,500 | 9,617 | 9,267 | 9,934 | 9,547 | 7,926 |
| Amount of Small Claims Cases | 229 | 163 | 146 | 155 | 142 | 256 | 274 | 244 | 270 | 263 |

Source: Departments of the City of Chillicothe

continued

CITY OF CHILlicothe, OHIO
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN YEARS

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Civil Service</i> | | | | | | | | | | |
| Number of Police Entry Tests Administered | 108 | 52 | 0 | 56 | 0 | 71 | 1 | 0 | 110 | 0 |
| Number of Fire Entry Tests Administered | 57 | 0 | 66 | 0 | 0 | 0 | 1 | 0 | 43 | 0 |
| Number of Police Promotional Tests Administered | 14 | 0 | 5 | 4 | 0 | 10 | 3 | 0 | 5 | 0 |
| Number of Fire Promotional Tests Administered | 0 | 1 | 16 | 0 | 14 | 0 | 2 | 0 | 0 | 8 |
| Number of Hires of Police Officers from Certified Lists | 5 | 0 | 4 | 2 | 0 | 2 | 7 | 8 | 1 | 3 |
| Number of Hires of Fire/Medics Officers from Certified Lists | 0 | 0 | 8 | 6 | 0 | 2 | 2 | 3 | 0 | 5 |
| Number of Promotions from Police Certified Lists | 2 | 0 | 1 | 2 | 0 | 1 | 4 | 0 | 0 | 0 |
| Number of Promotions from Fire Certified Lists | 0 | 0 | 6 | 2 | 4 | 2 | 1 | 2 | 0 | 2 |
| <i>Building Department Indicators</i> | | | | | | | | | | |
| Construction Permits Issued | 11 | 10 | 8 | 10 | 8 | 12 | 11 | 16 | 6 | 7 |
| Estimated Value of Construction | \$17,823,496 | \$18,217,008 | \$12,635,438 | \$22,245,181 | \$2,139,000 | \$2,430,567 | \$2,007,034 | \$3,678,195 | \$1,885,000 | \$1,955,994 |
| Number of Permits Issued | 947 | 901 | 867 | 1,099 | 902 | 798 | 857 | 742 | 681 | 412 |
| Amount of Revenue Generated from Permits | \$79,438 | \$79,257 | \$117,985 | \$123,461 | \$141,653 | \$179,793 | \$194,320 | \$198,007 | \$246,735 | \$38,865 |
| Number of Contractor Registrations Issued | 377 | 344 | 374 | 270 | 190 | 300 | 297 | 350 | 185 | 260 |
| Revenue Generated from Above 1 | \$3,413 | \$2,764 | \$1,970 | \$13,500 | \$3,291 | \$5,701 | \$4,432 | \$3,500 | \$18,500 | \$26,000 |
| <i>Police Department</i> | | | | | | | | | | |
| Total Calls for Service | 25,984 | 24,162 | 24,429 | 25,457 | 23,047 | 23,245 | 24,557 | 27,700 | 28,304 | 29,802 |
| Number of Traffic Citations Issued | 1,995 | 2,165 | 3,144 | 3,277 | 2,346 | 2,465 | 1,978 | 2,795 | 3,070 | 3,255 |
| Number of Parking Citations Issued (2) | 2,229 | 1,134 | N/A | N/A | N/A | N/A | N/A | 517 | 2,075 | 282 |
| Number of Criminal Arrests | 3,790 | 2,462 | 2,808 | 3,414 | 3,130 | 2,941 | 2,984 | 4,064 | 5,092 | 5,098 |
| Number of Accident Reports Completed | 1,033 | 1,251 | 916 | 1,189 | 1,225 | 1,375 | 1,289 | 1,262 | 1,147 | 1,095 |
| DUI Arrests | 176 | 100 | 101 | 97 | 101 | 85 | 97 | 183 | 139 | 141 |
| Prisoner costs for room and board | \$372,985 | \$369,559 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Motor Vehicle Accidents | 724 | 902 | 710 | 843 | 858 | 1,006 | 896 | 958 | 891 | 886 |
| Property Damage Accidents | 309 | 349 | 366 | 346 | 367 | 369 | 393 | 304 | 256 | 209 |
| Fatalities from Motor Vehicle Accidents | 1 | 0 | 1 | 3 | 0 | 0 | 1 | 1 | 0 | 0 |
| Gasoline Costs of Fleet | \$63,199 | \$87,492 | \$115,574 | \$124,490 | \$112,069 | \$107,862 | \$53,367 | \$51,510 | \$69,487 | \$83,286 |
| DARE Program hours | 1,600 | 1,600 | 1,680 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | 1,700 |
| <i>Fire Department</i> | | | | | | | | | | |
| EMS Calls | 5,134 | 5,045 | 5,407 | 5,079 | 4,618 | 4,893 | 4,866 | 5,316 | 5,399 | 5,737 |
| Ambulance Billing Collections (net) | \$1,030,299 | \$1,128,158 | \$1,224,578 | \$1,105,372 | \$1,120,547 | \$1,127,057 | \$994,663 | \$1,035,755 | \$1,079,703 | \$1,042,483 |
| Fire Calls | 681 | 777 | 823 | 796 | 704 | 692 | 840 | 997 | 919 | 927 |
| Fires with Loss | 35 | 40 | 54 | 42 | 42 | 29 | 39 | 69 | 62 | 61 |
| Fires with Losses Exceeding \$10K | 7 | 10 | 16 | 19 | 15 | 8 | 11 | 13 | 14 | 14 |
| Fire Losses \$ | \$255,490 | \$2,062,830 | \$628,110 | \$2,383,260 | \$379,250 | \$393,201 | \$515,667 | \$696,453 | \$550,870 | \$1,067,371 |
| Fire Safety Inspections | 100 plus | 75 | 75 | 220 | 400 plus | 515 | 500 | 673 | 538 | 993 |
| Number of Times Mutual Aid Given to Fire | 0 | 0 | 0 | 1 | 4 | 0 | 4 | 11 | 21 | 3 |
| Number of Times Mutual Aid Received for Fire | 7 | 2 | 0 | 0 | 1 | 1 | 5 | 2 | 3 | 9 |
| Number of Injuries Requiring Medical Attention | 3 | 19 | 7 | 7 | 2 | 2 | 1 | 3 | 1 | 5 |
| Fatalities Due to Fire | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |

Source: Departments of the City of Chillicothe

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

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------|-------------|-------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Leisure Time Activities | | | | | | | | | | |
| <i>Recreation Department</i> | | | | | | | | | | |
| Recreation Swimming Pool Receipts | \$48,588 | \$49,537 | \$62,176 | \$58,019 | \$61,131 | \$71,006 | \$61,315 | \$77,083 | \$87,426 | \$82,525 |
| Recreation Mens, Women & Chillicothe Leagues Receipts | \$25,790 | \$22,572 | \$24,775 | \$0 | \$0 | \$0 | \$0 | \$4,700 | \$1,400 | \$9,375 |
| Number of Tree License Issues | 19 | 20 | 17 | 0 | 8 | 13 | 13 | 20 | 17 | 16 |
| Amount of Revenue from Tree License | \$475 | \$500 | \$425 | \$0 | \$200 | \$300 | \$325 | \$1,425 | \$425 | \$400 |
| Total Acreage all Parks | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 |
| Transportation | | | | | | | | | | |
| <i>Street Construction & State Highway</i> | | | | | | | | | | |
| Street Sweeper (hours) | 1,000 | 950 | 900 | 0 | 950 | 1,050 | 900 | 950 | 950 | 800 |
| Cold Patch (hours) | 1,500 | 1,700 | 2,000 | 0 | 1,800 | 2,080 | 2,000 | 2,050 | 2,050 | 2,400 |
| Snow and Ice Removal (regular hours) | 300 | 400 | 150 | 221 | 215 | 400 | 850 | 96 | 100 | 856 |
| Snow and Ice Removal (overtime hours) | 449 | 452 | 332 | 0 | 350 | 375 | 877 | 0 | 100 | 650 |
| Leaf Collection (hours) | 3,000 | 2,000 | 2,000 | 0 | 3,000 | 3,500 | 3,200 | 3,300 | 3,300 | 3,500 |
| Downtown Square Repair after Events (hours) | 75 | 50 | 50 | 0 | 68 | 75 | 70 | 75 | 80 | 70 |
| Tons of Snow Melting Salt Purchased (Nov-Mar) | 810 | 692 | 791 | 642 | 721 | 954 | 950 | 240 | 300 | 950 |
| Cost of Salt Purchased | \$48,096 | \$43,973 | \$50,201 | \$40,754 | \$33,357 | \$66,031 | \$79,999 | \$11,087 | \$19,551 | \$43,871 |
| Basic Utility Services | | | | | | | | | | |
| <i>Refuse Department</i> | | | | | | | | | | |
| Refuse Disposal per year (in tons) August through July | 7,566 | 8,261 | 7,599 | 7,954 | 7,895 | 7,548 | 7,514 | 7,654 | 6,799 | 7,231 |
| Refuse Disposal cost per year August through July | \$290,408 | \$290,000 | \$252,335 | \$234,749 | \$282,233 | \$268,151 | \$281,235 | \$286,413 | \$254,407 | \$251,642 |
| <i>Water Department (2)</i> | | | | | | | | | | |
| Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly | 14.48 | 14.48 | 11.68 | 11.92 | 12.40 | 12.40 | 12.65 | 12.65 | 12.65 | 12.65 |
| Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly | 21.71 | 21.71 | 17.54 | 17.89 | 18.61 | 18.61 | 18.99 | 18.85 | 18.99 | 19.37 |
| Total Water Collections Annually (including P&I) | \$4,233,031 | \$4,370,433 | \$3,835,549 | \$0 | \$3,927,993 | \$4,236,920 | \$4,160,214 | \$4,407,356 | \$4,062,891 | \$4,564,948 |
| Number of Active Customers | 9,167 | 9,151 | 9,196 | 0 | 9,300 | 9,360 | 9,417 | 10,133 | 9,455 | 10,318 |
| <i>WasteWater Department (3)</i> | | | | | | | | | | |
| Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly | 11.74 | 11.74 | 8.58 | 8.75 | 9.11 | 9.11 | 9.29 | 9.60 | 9.60 | 9.99 |
| Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly | 17.61 | 17.61 | 12.84 | 13.10 | 13.64 | 13.64 | 13.91 | 14.37 | 14.37 | 15.25 |
| Total Flow of Wastewater Treatment Plant (Millions of Gallons) | 934,845 | 901,546 | 1,015,795 | 874,905 | 877,677 | 874,301 | 845,500 | 738,030 | 718,670 | 828,050 |
| Tons of Dry Sludge Removed | 341,000 | 481,480 | 291,220 | 337,440 | 388,859 | 391,840 | 346,000 | 373,460 | 300,060 | 270,000 |
| Wastewater Calls for Service | 19 | 250 | 200 | 200 | 250 | 230 | 109 | 204 | 240 | 260 |
| After Hours Wastewater Calls for Service (hours) | 76 | 300 | 250 | 250 | 300 | 330 | 142 | 326 | 320 | 340 |
| Sewer Jet, Vac-all, other services (hours) | 1,000 | 1,500 | 1,500 | 2,500 | 3,000 | 3,500 | 3,000 | 3,400 | 3,200 | 3,400 |

Source: Departments of the City of Chillicothe

(2) In 2010, the City began billing monthly and modified the Water rates to 7.24 per 1st 200 Cu ft (Inside City) and 10.86 per 1st 200 Cu ft (Outside City).

(3) In 2010, the City began billing monthly and modified the Sewer rates to 5.87 per 1st 200 Cu ft (Inside City) and 8.81 per 1st 200 Cu ft (Outside City).