

City of Chillicothe, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2020



Kristal Spetnagel
Chillicothe City Auditor

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City of Chillicothe, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020
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CHILlicothe
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL
City Auditor

June 28, 2021

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, 2020. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2020. 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 2020 basic financial statements were audited by Millhuff-Stang, CPA, 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, 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.

35 SOUTH PAINT STREET • P.O. BOX 457 • CHILlicothe, OH 45601-0457
PHONE: 740-775-3955 • FAX: 740-773-4535 • Kristal.spetnagel@chillicotheoh.gov

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 21,722 citizens according to the 2020 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.

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, and 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 2020 was 5.2%.

Other developments of note:

Significant retail development is still ongoing throughout the City. During 2020 and 2021, several new businesses were opened, such as Goodwill, The Downtown Blowout Bar, Kindly, Hometown Hibachi, The Madalin Boutique, Wendy's, American Freight Furniture, Old Capital Brewing, Hometown Apparel, and Fifty West Brewing Company. Other industries such as Adena Hospital are in the process of doing a lot of investing and construction upgrades. They are continuing their \$70 million expansion plan to create a new orthopedic and robotics center as well as a 300-car parking deck. 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.

As the community continues grow and revenue streams expand, the City does expect to see an increase in income tax revenue. In March of 2020, Ohio was Declared a State of Emergency due to the National Pandemic, COVID-19. To help alleviate pressure from the budget the City began a shared work program, which decreased hours of work for numerous staff, by at least 20% for the remainder of the year. The City will continue to review financials and evaluate all capital spending and staffing levels.

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 revenue 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.

The City began discussions for remodeling of Waste Water Sewer Plant. The City has also begun discussion on financing and development of the multi-million dollar project.

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 three years 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

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 and Safety Service 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, 2019. 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-nine 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 30th 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 Millhuff-Stang, CPA, Inc. 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.

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

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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, 2019

Christopher P. Morill

Executive Director/CEO

City of Chillicothe, Ohio
Listing of Elected Officials
As of December 31, 2020

Mayor

Luke Feeney
Term Expires 12/31/23

City Council

Bruce Arnold
President
Term Expires 12/31/21

Greg Phillips
1st Ward Council
Term Expires 12/31/21

Kathy Payne
2nd Ward Council
Term Expires 12/31/21

Deidra Nickerson
3rd Ward Council
Term Expires 12/31/21

Dave Tatman
4th Ward Council
Term Expires 12/31/21

Courtney Lewis
5th Ward Council
Term Expires 12/31/21

Tara Gillum
6th Ward Council
Term Expires 12/31/21

Dustin Proehl
Council at Large
Term Expires 12/31/21

Devon Shoemaker
Council at Large
Term Expires 12/31/21

Ceil Corcoran
Council at Large
Term Expires 12/31/21

City Auditor
Kristal Spetnagel
Term Expires 12/31/21

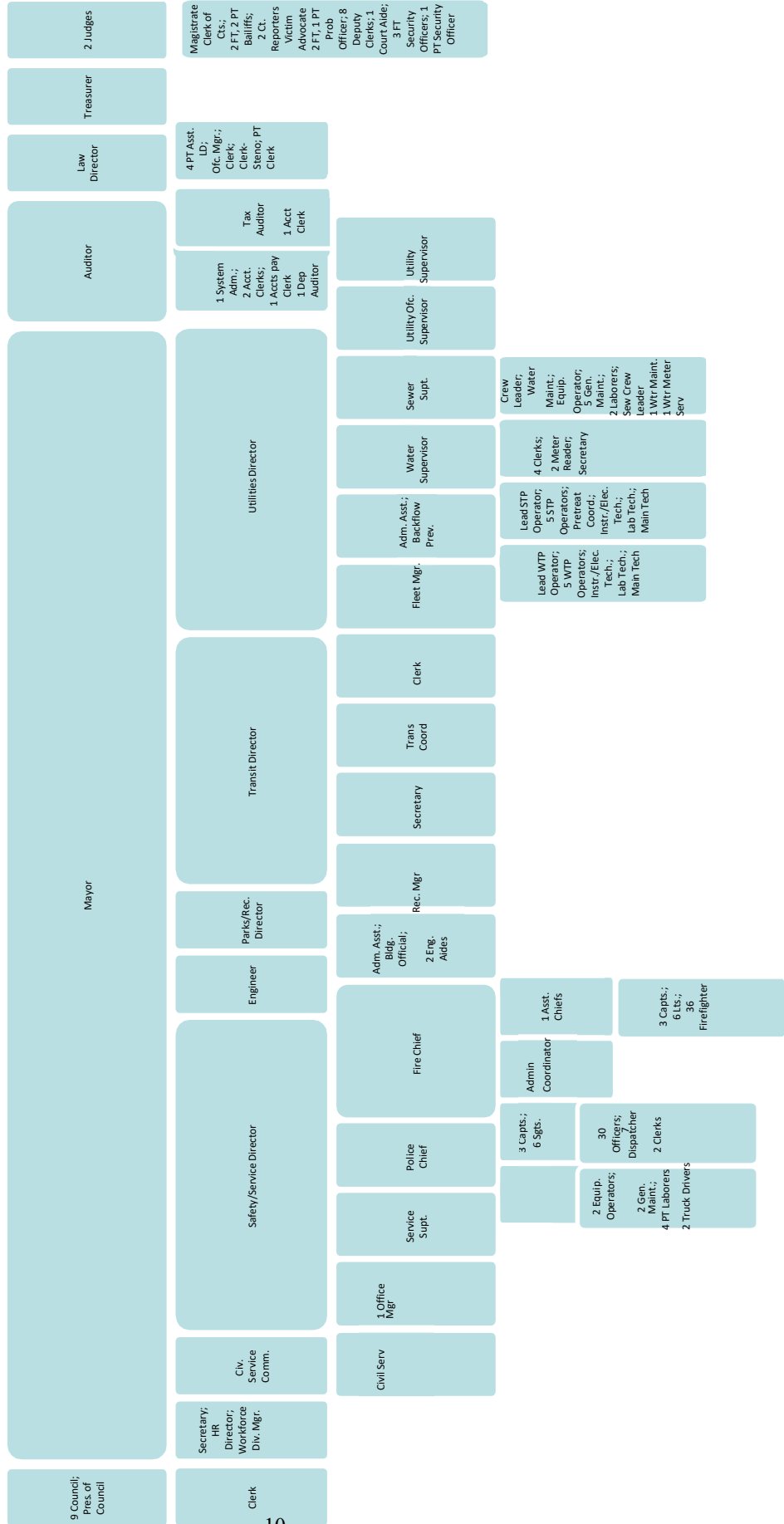
City Treasurer
Jeremy Siberell
Term Expires 12/31/21

Director of Law
Anna Villareal
Term Expires 12/31/23

City of Chillicothe, Ohio
Listing of Appointed Officials
As of December 31, 2020

City Engineer	Dean Carroll
Utilities Director	David Fishel
Safety/Service Director	Jeffrey Carmen
Parks/Recreation Director	Bill Bonner
Transit Director	Asti Powell
Clerk of Council	Kathy Flechtner
Assistant Law Director	Aaron M. McHenry
Assistant Law Director	Michele Rout
Assistant Law Director	Jonnetta Gadson
Assistant Law Director	Pamela Wells

GENERAL PUBLIC



City of Chillicothe, Ohio
City Auditor's Staff
As of December 31, 2020

City Auditor	Kristal Spetnagel
Deputy Auditor	Kim Large
Tax Auditor	Julie Parker
System Administrator	Heidi Leasure
Accounts Payable Administrator	Amy Arnold
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 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, 2020, 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 entity'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 entity'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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, Street Construction Maintenance and 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 Matters

As discussed in note 26 to the financial statements, during fiscal year 2020, the City adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, "Fiduciary Activities". The 2020 financial statements have been restated due to this implementation. We also noted the City discovered an error in its infrastructure assets resulting in a restatement of beginning net position. We did not modify our opinion regarding these matters.

As discussed in note 25 to the financial statements, during fiscal year 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. 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 17 through 27, the schedules of the City's proportionate share of the net pension and OPEB liabilities on pages 92, 93, and 94, and the schedules of City contributions on pages 96 and 97 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

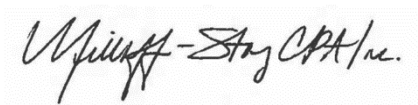
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes 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 28, 2021 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, reading "Millhuff-Stang CPA/Inc." in a cursive script.

Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

June 28, 2021

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City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(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, 2020. 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

- The City's total net position increased \$1,141,194; net position of the governmental activities increased \$1,042,588, and net position of the business-type activities increased \$98,606.
- The general fund balance of \$5,658,918 increased \$592,292, or 11.69 percent, from the previous year's balance of \$5,066,626. This was primarily due to a decrease in expenditures between years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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's finances, in a manner similar to private-sector businesses.

The *statement of net position* presents information on all of the City'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 is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City 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 services. The business-type activities include water and sewer operations.

The government-wide financial statements can be found starting on page 28 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.

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

Governmental Funds – Most of the City'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

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2020
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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 maintains 26 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 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The City as a Whole

The following two statements reflect the net position of the City 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 changes in net position.

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Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019	2020	2019*
Assets						
Current and Other Assets	\$17,706,279	\$14,753,396	\$15,002,157	\$11,962,172	\$32,708,436	\$26,715,568
Capital Assets, Net	41,853,402	42,801,656	33,755,630	34,065,920	75,609,032	76,867,576
<i>Total Assets</i>	<i>59,559,681</i>	<i>57,555,052</i>	<i>48,757,787</i>	<i>46,028,092</i>	<i>108,317,468</i>	<i>103,583,144</i>
Deferred Outflows	7,443,436	12,297,895	953,251	1,557,685	8,396,687	13,855,580
Liabilities						
Current and Other Liabilities	1,410,858	1,514,339	2,736,709	303,045	4,147,567	1,817,384
<i>Long-Term Liabilities</i>						
Due Within One Year	1,781,014	1,990,420	452,149	906,854	2,233,163	2,897,274
Other Amounts Due in More Than One Year	7,984,559	9,145,751	1,514,913	1,686,496	9,499,472	10,832,247
Net Pension Liability	26,962,123	34,186,540	3,434,427	4,474,264	30,396,550	38,660,804
Net OPEB Liability	8,287,849	7,949,955	2,372,489	2,107,602	10,660,338	10,057,557
<i>Total Liabilities</i>	<i>46,426,403</i>	<i>54,787,005</i>	<i>10,510,687</i>	<i>9,478,261</i>	<i>56,937,090</i>	<i>64,265,266</i>
Deferred Inflows	6,937,228	2,469,044	1,103,385	109,156	8,040,613	2,578,200
Net Position						
Net Investment in Capital Assets	33,846,619	33,885,414	31,860,203	32,231,325	65,706,822	66,116,739
<i>Restricted for:</i>						
Debt Service	228,332	196,466	4	4	228,336	196,470
Capital Projects	2,189,035	1,060,549	618,466	618,466	2,807,501	1,679,015
Other Purposes	5,267,943	4,361,710	0	0	5,267,943	4,361,710
<i>Permanent Fund</i>						
Expendable	2,370	2,355	0	0	2,370	2,355
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Unrestricted (Deficit)	(27,895,813)	(26,910,596)	5,618,293	5,148,565	(22,277,520)	(21,762,031)
<i>Total Net Position</i>	<i>\$13,639,486</i>	<i>\$12,596,898</i>	<i>\$38,096,966</i>	<i>\$37,998,360</i>	<i>\$51,736,452</i>	<i>\$50,595,258</i>

*As restated. See note 26 of the notes to the basic financial statements.

The net pension liability (NPL) and net other postemployment benefits (OPEB) liability are the largest single liabilities reported by the City at December 31, 2020 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of these financial statements 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/OPEB asset, when applicable, 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

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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 (asset) 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.

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 (asset), respectively, not accounted for as deferred inflows/outflows.

Current and other assets of governmental activities increased by \$2,952,883 or 20.01% due to increases in cash and cash equivalents held by the City due to COVID funding received by the City in addition to significant Ohio Bureau of Workers Compensation rebates received during the year. The City also experienced an increase in income taxes receivable due to an increase in measurable subsequent collections from the prior year. Capital assets of the governmental activities decreased \$948,254, or 2.22 percent, due to depreciation expense exceeding acquisitions. Current and other liabilities decreased \$103,481 due to a decrease in contracts payable, which was partially offset by increases in accounts payable and accrued wages and benefits payable. Accounts payable increased due to the timing of payments owed by the transit program. Accrued wages and benefits payable increased due to the increase in the number of days accrued in 2020 as compared to the accrued number of days for 2019. Long-term liabilities

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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.

Current and other assets of business-type activities increased by \$3,039,985, or 25.41 percent, as a result of an increase in equity in pooled cash and cash equivalents, resulting from unspent proceeds from a bond anticipation note issued near the end of the year and due to an increase in accounts receivable from customers due to a timing of the assessment of bills. Capital assets decreased by \$310,290, or 0.91 percent due to depreciation for the year, which was partially offset by construction in progress incurred during the year. Current and other liabilities of business-type activities increased by \$2,433,664, or 803.07 percent, due to the issuance of a bond anticipation note for the sanitary sewer improvement project and related increases in contracts payable. 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.

The City's total net position increased from \$50,595,258 at the beginning of 2020 to \$51,736,452 at the end of the year, a change of \$1,141,194, or 2.26 percent. This increase is the result of an increase in the net position of the governmental activities of \$1,042,588, or 8.28 percent, and an increase in the net position of the business-type activities of \$98,606, or 0.26 percent.

Changes in deferred inflows and outflows of resources of the governmental activities and the business-type activities have changed due to actuarially-determined activity affecting such balances as reported by the retirement systems.

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 2020 and 2019.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$8,458,118	\$10,298,554	\$8,539,502	\$7,871,057	\$16,997,620	\$18,169,611
Operating Grants and Contributions	6,506,612	3,229,152	0	0	6,506,612	3,229,152
Capital Grants and Contributions	0	596,316	0	0	0	596,316
<i>Total Program Revenues</i>	<i>14,964,730</i>	<i>14,124,022</i>	<i>8,539,502</i>	<i>7,871,057</i>	<i>23,504,232</i>	<i>21,995,079</i>
<i>General Revenues:</i>						
Property Taxes	1,336,051	1,206,913	0	0	1,336,051	1,206,913
Income and Other Taxes	16,588,212	16,176,005	0	0	16,588,212	16,176,005
Unrestricted Grants and Entitlements	842,806	677,305	0	0	842,806	677,305
Unrestricted Contributions and Donations	1,000	0	0	0	1,000	0
Investment Earnings	154,421	300,227	0	0	154,421	300,227
Gain on Sale of Capital Assets	15,826	0	4,840	0	20,666	0
Other	1,728,278	1,223,546	361,941	200,029	2,090,219	1,423,575
<i>Total General Revenues</i>	<i>20,666,594</i>	<i>19,583,996</i>	<i>366,781</i>	<i>200,029</i>	<i>21,033,375</i>	<i>19,784,025</i>
<i>Total Revenues</i>	<i>35,631,324</i>	<i>33,708,018</i>	<i>8,906,283</i>	<i>8,071,086</i>	<i>44,537,607</i>	<i>41,779,104</i>

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Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Expenses						
General Government	\$6,267,660	\$8,183,220	\$0	\$0	\$6,267,660	\$8,183,220
<i>Security of Persons and Property:</i>						
Police	7,407,309	2,920,880	0	0	7,407,309	2,920,880
Fire	7,092,636	481,614	0	0	7,092,636	481,614
Leisure Time Services	933,515	1,091,968	0	0	933,515	1,091,968
Community Environment	1,476,572	775,071	0	0	1,476,572	775,071
Basic Utility Services	1,352,143	1,144,709	0	0	1,352,143	1,144,709
Transportation	9,681,811	12,236,494	0	0	9,681,811	12,236,494
Interest and Fiscal Charges	267,005	251,742	0	0	267,005	251,742
Issuance Costs	80,085	16,031	0	0	80,085	16,031
Water and Sewer	0	0	8,837,677	8,994,411	8,837,677	8,994,411
Total Expenses	34,558,736	27,101,729	8,837,677	8,994,411	43,396,413	36,096,140
<i>Increase (Decrease) in Net Position Before Transfers</i>	<i>1,072,588</i>	<i>6,606,289</i>	<i>68,606</i>	<i>(923,325)</i>	<i>1,141,194</i>	<i>5,682,964</i>
Transfers In (Out)	(30,000)	(28,649)	30,000	28,649	0	0
<i>Changes in Net Position</i>	<i>1,042,588</i>	<i>6,577,640</i>	<i>98,606</i>	<i>(894,676)</i>	<i>1,141,194</i>	<i>5,682,964</i>
<i>Net Position at Beginning of Year-Restated</i>	<i>12,596,898</i>	<i>6,019,258</i>	<i>37,998,360</i>	<i>38,893,036</i>	<i>50,595,258</i>	<i>44,912,294</i>
<i>Net Position at End of Year</i>	<i>\$13,639,486</i>	<i>\$12,596,898</i>	<i>\$38,096,966</i>	<i>\$37,998,360</i>	<i>\$51,736,452</i>	<i>\$50,595,258</i>

Governmental Activities

Governmental activities increased the City's net position by \$1,042,588. The City saw a significant increase in revenues, which was partially offset by a significant increase in expenses. The City received a significant amount of COVID funding during the year in addition to significant Ohio Bureau of Workers Compensation rebates. The transit program did experience a decrease in charges for services revenues, but those charges were offset by an increase in grant funds received from the CARES Act. The City also experienced an increase in income taxes receivable due to an increase in measurable subsequent collections from the prior year. Increases in expenses were primarily due to changes in the net pension and OPEB liabilities calculations by the retirement systems, primarily in the Ohio Police and Fire Pension Fund, for which a gain of \$4.55 billion was reported by the system last year for OPEB, with \$12.6 million allocated to the City. This year, however, the system reported a \$59.7 million loss, with \$173,404 allocated to the City. The change in these allocations between years resulted in a \$12.4 million increase in OPEB expenses allocated between the police and fire functions. The transportation expense line item did decrease significantly between years, due to fewer paving projects incurred and reduced activity in the transit program, due primarily to the COVID-19 pandemic. The City also experienced decreases in expenses in various departments considered as general government, primarily due to reduced staffing levels and hours worked due to the COVID-19 pandemic. Police expenses increased by approximately \$4.5 million. This change is accounted for by a \$5.5 million decrease attributed to OPEB expenses noted above, which was offset by decreases in salaries and wages and other

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purchases in the prior year. Community environment expenses increased between years due to an increase in depreciation expense allocation for the current year and due to pass-through grants to other governments and organizations of COVID-19 grant funds.

Revenues
Governmental Activities

Revenue Source	Percentage of Total Revenues
Income and Other Taxes	46.56%
Operating Grants and Contributions	18.26%
Charges for Services	23.74%
Property Taxes	3.75%
Unrestricted Grants and Entitlements	2.37%
Unrestricted Contributions	0.00%
Investment Earnings	0.43%
Other	4.85%
Gain on Sale of Capital Assets	0.04%
Total	<u>100.00%</u>

Of the \$35,631,324 in total revenues, income and other taxes accounted for 46.56 percent; charges for services accounted for 23.74 percent; operating grants and contributions accounted for 18.26 percent; and unrestricted grants and entitlements, unrestricted contributions, property taxes, investment earnings, other revenue, and gain on sale of capital assets account for the remaining 11.44 percent. The income and other tax revenue for 2020 was \$16,588,212, which was an increase of \$412,207, or 2.55 percent.

Expenses
Governmental Activities

Expenses by Function	Percentage of Total Expenses
General Government	18.14%
Police	21.43%
Fire	20.52%
Leisure Time Services	2.70%
Community Environment	4.27%
Basic Utility Services	3.91%
Transportation	28.03%
Interest and Fiscal Charges	0.77%
Issuance Costs	0.23%
Total	<u>100.00%</u>

The largest functional expenses for the City were the general government, police, fire, and transportation functions, which experienced changes between years as previously discussed.

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Business-Type Activities

The business-type activities of the City, which include its water and sewer operations, increased the net position by \$98,606. The increase in net position is due to the receipt of Ohio Bureau of Workers Compensation rebates and an increase in charges for services due to an increase in accounts receivable.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City'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. At the end of 2020, the total fund balance for the general fund was \$5,658,918 of which \$5,060,523, or 89.43 percent, was unassigned.

During the current year, the fund balance of the general fund increased by \$592,292. The increase in the general fund balance was primarily the result of the decrease in various expenditures due to cost savings from reduced hours and staffing levels throughout the COVID-19 pandemic. The general fund, as with most funds of the City, received large Ohio Bureau of Workers Compensation rebates during the year, increasing miscellaneous revenues from the prior year. However, this increase in revenue was not significant enough to completely offset the reduction in many other revenue classifications resulting from various decreased activities experienced during the pandemic.

At the end of 2020, the street construction maintenance and repair fund had a fund balance of \$2,455,515, which is an increase of \$456,711. This was a result of a decrease in expenditures for the year due to decreased activity due to the pandemic.

At the end of 2020, the bus transit fund had a fund balance of \$1,846,244, which is an increase of \$1,311,738. This was a result of a decrease in expenditures for the year due to decreased activity due to the pandemic.

Proprietary Funds

During the current year, the net position of the City's water fund decreased by \$121,278, or 0.55 percent. The decrease in the water fund's net position was due to greater than originally expected costs for personnel, including leave taken and insurance costs, as well as an increase in materials and supplies purchased and outside contracts entered into. These unexpected expenses were partially offset by an increase in charges for services between years due to an increase in accounts receivable.

During the current year, the net position of the sewer fund increased by \$219,884, or 1.40 percent. The increase in the sewer fund's net position is the result of an increase in charges for services between years due to an increase in accounts receivable. These revenue increases however were partially offset by greater than originally expected costs for personnel, including leave taken and insurance costs, as well as an increase in materials and supplies purchased and outside contracts entered into.

General Fund Budgeting Highlights

The City'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 2020, the City 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

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whole Council for an ordinance on the change. The City does allow small budget changes that modify line items within departments within the same fund.

For the general fund, the original budgeted revenues and other financing sources were \$25,575,148 and the final budgeted revenues and other financing sources were \$30,902,246. The largest difference between the general fund's original budget and final budget was in interest revenue, other revenue, and transfers in, which increased \$4,432,942, \$979,884 and \$565,936, or 1,996.82 percent, 108.55 percent, and 13.03 percent, respectively, due to an increase in the budgeting methodology for maturing and reinvestment of certificates of deposit, estimated receipts for Ohio Bureau of Workers Compensation rebates, and in transfers from the safety levy fund.

For the general fund, the original budgeted expenditures and other financing uses were \$25,863,104 and the final budgeted expenditures and other financing uses were \$30,278,432. The differences between the general fund's original budget and final amended budget of expenditures amounted to a \$4,415,328 increase, which included additional appropriations for general government, security of persons and property-fire, and transfers out of \$3,060,813, \$308,595, and \$355,891, respectively. General government expenditures increased due to the methodology for maturing and reinvestment of certificates of deposit. Fire expenses increased due to an increase in fringe benefits.

The difference between the general fund's final budget and actual for the general government expenditures was \$4,770,456, or 46.76 percent. 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 and the appropriation of reinvested certificates of deposit that were actually offset as a reduction of receipt in the actual column of the budgetary statement.

Capital Assets and Debt Administration

Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities		Business-Type Activities	
	2020	2019*	2020	2019**
Land	\$6,989,731	\$6,989,731	\$1,923,669	\$1,923,669
Construction in Progress	0	9,560	1,194,337	0
Land Improvements	125,552	183,743	0	0
Buildings, Structures, and Improvements	9,778,018	9,906,512	2,376,691	2,572,786
Plant and Facilities	0	0	10,697,049	11,213,620
Furniture, Fixture, and Equipment	3,771,945	3,335,779	704,093	956,239
Infrastructure	21,188,156	22,376,331	16,859,791	17,399,606
Total	<u>\$41,853,402</u>	<u>\$42,801,656</u>	<u>\$33,755,630</u>	<u>\$34,065,920</u>

*Restated. See note 26 of the notes to the basic financial statements for additional information.

**A land acquisition was misclassified in the prior year. This error was corrected in the above table. See also note 6 of the notes to the basic financial statements.

Total capital assets for governmental activities of the City for the year 2020 were \$41,853,402, or \$948,254 less than in 2019. This decrease was due to the current year depreciation exceeding the current year acquisitions.

The decrease in capital assets for business-type activities of \$310,290 was due primarily to the current year depreciation.

Additional information concerning capital assets can be found in note 6 of the notes to the basic financial statements.

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As of December 31, 2020, the City had \$8,318,733 in bonds outstanding.

Long-Term Debt Obligations

	2020	2019*
Governmental Activities		
2013 Various Purpose Refunding Bonds	\$0	\$2,960,000
2020 Various Purpose Refunding Bonds	2,740,000	0
2016 Street Improvement Bonds	1,885,000	2,175,000
2016 Squad/Leaf Blower Bonds	0	53,603
2017 Police Cruisers Bonds	0	59,934
2017 Street Improvements Bonds	885,000	1,095,000
2017 Street Sweeper Bonds	75,000	115,000
2017 Garbage Truck Bonds	75,000	100,000
2018 Police Cruisers/Squad Bonds	178,733	238,311
2019 Various Purpose Bonds	1,330,000	1,391,000
<i>Total Governmental Activities</i>	<u>7,168,733</u>	<u>8,187,848</u>
Business-Type Activities		
2013 Various Purpose Refunding Bonds	0	545,000
2020 Various Purpose Refunding Bonds	410,000	0
2015 ARMC Water General Obligation Bonds	0	440,000
2019 Various Purpose Bonds	740,000	764,000
<i>Total Business-Type Activities</i>	<u>1,150,000</u>	<u>1,749,000</u>
<i>Total</i>	<u>\$8,318,733</u>	<u>\$9,936,848</u>

*Errors were noted in the previously reported balances of the garbage truck and street sweeper bonds. These errors were corrected in the above table.

The various purpose 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's debt can be found in note 7 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 since been working on updating financial policies diligently to improve all financial reporting.

Chillicothe voters passed two independent income tax levies in May of 2015. Each levy was for 0.02 percent; 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 percent to 2.0 percent effective January 1, 2016.

Since the passage of the street construction levy, the City has budgeted a minimum of \$1 million per year to be spent on road projects. Since the passage of the levy, the City has spent approximately \$6.5 million on street construction projects. This levy has allowed the City to appropriate funds to pave, maintain, and repair roads throughout the City.

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

In order to begin the paving projects, the City borrowed funds which will be paid in full at the end of the tax levy, also creating a reserve for the continuation of projects in the future.

Significant retail development was ongoing throughout the City. During 2020, several new businesses evolved, such as Goodwill Industries, The Downtown Blowout Bar, Kindly, Hometown Hibachi, The Madalin Boutique, Wendy's, American Freight Furniture, Old Capital Brewing, and Hometown Apparel. Other industries, such as Adena Hospital, are in the process of investing and construction upgrades. They continue their \$70 million expansion plan to create a new orthopedic and robotics center, as well as a 300-car parking deck. 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 additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

As the community continues to grow, and revenue streams expand, the City does expect to see a decrease in income tax revenue. In March of 2020, Ohio was declared a State of Emergency, due to the National COVID-19 Pandemic. This affected the City's 2020 budget, due to an expected decrease in income tax revenue. The City began a shared work program, which decreased hours of work for numerous staff, reducing work hours by at least 20% for the remainder of the year. All planned debt was suspended for the remainder of 2020. The City will continue to review financial information and evaluate all capital spending and staffing levels.

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
Statement of Net Position
As of December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$10,489,110	\$12,322,525	\$22,811,635
Cash and Cash Equivalents in Segregated Accounts	69,397	0	69,397
Investments	1,000	0	1,000
Materials and Supplies Inventory	78,916	86,889	165,805
Accrued Interest Receivable	22,167	0	22,167
Accounts Receivable	716,886	1,842,753	2,559,639
Intergovernmental Receivable	1,399,995	5,436	1,405,431
Prepaid Items	471,104	126,084	597,188
Income Taxes Receivable	2,948,308	0	2,948,308
Other Local Taxes Receivable	65,933	0	65,933
Property Taxes Receivable	1,392,750	0	1,392,750
Special Assessments Receivable	50,713	0	50,713
<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	6,989,731	3,118,006	10,107,737
Depreciable Capital Assets, Net	34,863,671	30,637,624	65,501,295
<i>Total Assets</i>	<u>59,559,681</u>	<u>48,757,787</u>	<u>108,317,468</u>
Deferred Outflows of Resources:			
Pensions	4,543,228	564,093	5,107,321
OPEB	2,900,208	389,158	3,289,366
<i>Total Deferred Outflows of Resources</i>	<u>7,443,436</u>	<u>953,251</u>	<u>8,396,687</u>
Liabilities:			
Accounts Payable	736,025	119,210	855,235
Accrued Wages and Benefits Payable	412,205	97,813	510,018
Contracts Payable	0	331,383	331,383
Intergovernmental Payable	233,665	39,461	273,126
Accrued Interest Payable	28,963	8,842	37,805
Bond Anticipation Note Payable	0	2,140,000	2,140,000
<i>Long-Term Liabilities:</i>			
Due Within One Year	1,781,014	452,149	2,233,163
<i>Due in More Than One Year:</i>			
Other Amounts Due in More Than One Year	7,984,559	1,514,913	9,499,472
Net Pension Liability	26,962,123	3,434,427	30,396,550
Net OPEB Liability	8,287,849	2,372,489	10,660,338
<i>Total Liabilities</i>	<u>46,426,403</u>	<u>10,510,687</u>	<u>56,937,090</u>
Deferred Inflows of Resources:			
Property Taxes	1,266,478	0	1,266,478
Pensions	3,798,441	751,611	4,550,052
OPEB	1,872,309	351,774	2,224,083
<i>Total Deferred Inflows of Resources</i>	<u>6,937,228</u>	<u>1,103,385</u>	<u>8,040,613</u>
Net Position:			
Net Investment in Capital Assets	33,846,619	31,860,203	65,706,822
Restricted for:			
Debt Service	228,332	4	228,336
Capital Outlay	2,189,035	618,466	2,807,501
Street Maintenance and Repair	2,927,685	0	2,927,685
Bus Transit	900,330	0	900,330
Housing and Urban Development	20,092	0	20,092
Unclaimed Monies	118,451	0	118,451
Other Purposes	1,301,385	0	1,301,385
<i>Permanent Fund Purpose:</i>			
Expendable	2,370	0	2,370
Nonexpendable	1,000	0	1,000
Unrestricted (Deficit)	(27,895,813)	5,618,293	(22,277,520)
<i>Total Net Position</i>	<u>\$13,639,486</u>	<u>\$38,096,966</u>	<u>\$51,736,452</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$6,267,660	\$1,641,839	\$999,389	(\$3,626,432)	\$0	(\$3,626,432)
<i>Security of Persons and Property:</i>						
Police	7,407,309	161,998	92,262	(7,153,049)	0	(7,153,049)
Fire	7,092,636	1,108,592	160,401	(5,823,643)	0	(5,823,643)
Leisure Time Services	933,515	6,700	26,199	(900,616)	0	(900,616)
Community Environment	1,476,572	10,832	833,215	(632,525)	0	(632,525)
Basic Utility Services	1,352,143	1,924,929	27,032	599,818	0	599,818
Transportation	9,681,811	3,603,228	4,368,114	(1,710,469)	0	(1,710,469)
Interest and Fiscal Charges	267,005	0	0	(267,005)	0	(267,005)
Issuance Costs	80,085	0	0	(80,085)	0	(80,085)
<i>Total Governmental Activities</i>	<u>34,558,736</u>	<u>8,458,118</u>	<u>6,506,612</u>	<u>(19,594,006)</u>	<u>0</u>	<u>(19,594,006)</u>
Business-Type Activities:						
Water	5,045,810	4,707,309	0	0	(338,501)	(338,501)
Sewer	3,791,867	3,832,193	0	0	40,326	40,326
<i>Total Business-Type Activities</i>	<u>8,837,677</u>	<u>8,539,502</u>	<u>0</u>	<u>0</u>	<u>(298,175)</u>	<u>(298,175)</u>
<i>Total</i>	<u>\$43,396,413</u>	<u>\$16,997,620</u>	<u>\$6,506,612</u>	<u>(19,594,006)</u>	<u>(298,175)</u>	<u>(19,892,181)</u>
General Revenues and Transfers:						
<i>Property Taxes Levied for:</i>						
General Purposes				1,076,509	0	1,076,509
Police and Fire Pension				259,542	0	259,542
<i>Municipal Income Taxes Levied for:</i>						
General Purposes				12,300,819	0	12,300,819
Transportation				2,457,963	0	2,457,963
Parks and Recreation				615,181	0	615,181
Capital Outlay				1,025,298	0	1,025,298
Other Local Taxes				188,951	0	188,951
Grants and Entitlements not Restricted to Specific Programs				842,806	0	842,806
Gifts and Contributions not Restricted to Specific Programs				1,000	0	1,000
Investment Earnings				154,421	0	154,421
Gain on Sale of Capital Assets				15,826	4,840	20,666
Miscellaneous				1,728,278	361,941	2,090,219
<i>Total General Revenues</i>				<u>20,666,594</u>	<u>366,781</u>	<u>21,033,375</u>
Transfers				(30,000)	30,000	0
<i>Total General Revenues and Transfers</i>				<u>20,636,594</u>	<u>396,781</u>	<u>21,033,375</u>
<i>Change in Net Position</i>				<u>1,042,588</u>	<u>98,606</u>	<u>1,141,194</u>
<i>Net Position Beginning of Year-Restated</i>				<u>12,596,898</u>	<u>37,998,360</u>	<u>50,595,258</u>
<i>Net Position End of Year</i>				<u>\$13,639,486</u>	<u>\$38,096,966</u>	<u>\$51,736,452</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Balance Sheet
Governmental Funds
As of December 31, 2020

	General	Street Construction Maintenance and Repair	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$3,853,731	\$2,128,043	\$1,706,964	\$2,608,948	\$10,297,686
Cash and Cash Equivalents in Segregated Accounts	68,548	0	0	849	69,397
Investments	0	0	0	1,000	1,000
Materials and Supplies Inventory	51,365	9,963	16,851	737	78,916
Accrued Interest Receivable	22,167	0	0	0	22,167
Accounts Receivable	470,611	0	246,275	0	716,886
Interfund Receivable	250,000	0	0	60,000	310,000
Intergovernmental Receivable	506,019	612,390	129,048	152,538	1,399,995
Prepaid Items	311,796	9,420	120,400	29,488	471,104
Income Taxes Receivable	2,211,231	294,831	147,415	294,831	2,948,308
Other Local Taxes Receivable	65,933	0	0	0	65,933
Property Taxes Receivable	1,122,092	0	0	270,658	1,392,750
Special Assessments Receivable	50,713	0	0	0	50,713
Restricted Cash and Cash Equivalents	118,451	0	0	0	118,451
<i>Total Assets</i>	<u>\$9,102,657</u>	<u>\$3,054,647</u>	<u>\$2,366,953</u>	<u>\$3,419,049</u>	<u>\$17,943,306</u>
Liabilities:					
Accounts Payable	\$437,413	\$29,241	\$245,815	\$23,556	\$736,025
Accrued Wages and Benefits Payable	330,754	12,546	53,797	15,108	412,205
Intergovernmental Payable	98,483	5,675	23,513	105,994	233,665
Interfund Payable	60,000	0	0	250,000	310,000
<i>Total Liabilities</i>	<u>926,650</u>	<u>47,462</u>	<u>323,125</u>	<u>394,658</u>	<u>1,691,895</u>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year Operations	1,020,040	0	0	246,438	1,266,478
<i>Unavailable Revenue:</i>					
Property Taxes	80,082	0	0	18,830	98,912
Income Taxes	1,079,505	143,934	71,967	143,935	1,439,341
Other Local Taxes	2,026	0	0	0	2,026
Grants and Entitlements	302,238	407,736	125,617	131,782	967,373
Special Assessments	33,198	0	0	0	33,198
<i>Total Unavailable Revenue</i>	<u>1,497,049</u>	<u>551,670</u>	<u>197,584</u>	<u>294,547</u>	<u>2,540,850</u>
<i>Total Deferred Inflows of Resources</i>	<u>2,517,089</u>	<u>551,670</u>	<u>197,584</u>	<u>540,985</u>	<u>3,807,328</u>
Fund Balances:					
Nonspendable	481,612	19,383	137,251	31,225	669,471
Restricted	0	2,436,132	1,708,993	2,446,416	6,591,541
Committed	66,749	0	0	0	66,749
Assigned	50,034	0	0	5,765	55,799
Unassigned	5,060,523	0	0	0	5,060,523
<i>Total Fund Balances</i>	<u>5,658,918</u>	<u>2,455,515</u>	<u>1,846,244</u>	<u>2,483,406</u>	<u>12,444,083</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$9,102,657</u>	<u>\$3,054,647</u>	<u>\$2,366,953</u>	<u>\$3,419,049</u>	<u>\$17,943,306</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
*Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
As of December 31, 2020*

Total Governmental Fund Balances	\$12,444,083
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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.	41,853,402
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	98,912	
Income Taxes	1,439,341	
Other Local Taxes	2,026	
Grants and Entitlements	967,373	
Special Assessments	33,198	
Total	<u>2,540,850</u>	2,540,850

Some interest is not due and payable in the current period and therefore is not reported in the funds.	(28,963)
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Some liabilities are not due and payable in the current period and therefore are not reported in

Refunding Bonds	(2,740,000)	
General Obligation Bonds	(4,428,733)	
Premium on Bonds	(321,997)	
Lease-Purchase Agreements	(395,495)	
Capital Leases Payable	(120,558)	
Compensated Absences Payable	(1,758,790)	
Total	<u>(9,765,573)</u>	(9,765,573)

The net pension and OPEB liabilities are not due and payable in the current period; therefore, these liabilities and related deferred inflows/outflows are not reported in the governmental

Deferred Outflows-Pension	4,543,228	
Deferred Outflows-OPEB	2,900,208	
Net Pension Liability	(26,962,123)	
Net OPEB Liability	(8,287,849)	
Deferred Inflows-Pension	(3,798,441)	
Deferred Inflows-OPEB	(1,872,309)	
Total	<u>(33,477,286)</u>	(33,477,286)

The internal service fund used by management to charge the costs of the fuel purchasing program to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.	<u>72,973</u>
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Net Position of Governmental Activities	<u><u>\$13,639,486</u></u>
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See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Street Construction Maintenance and Repair	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$1,043,625	\$0	\$0	\$251,672	\$1,295,297
Income Taxes	11,837,962	1,576,010	789,382	1,578,763	15,782,117
Other Local Taxes	186,925	0	0	0	186,925
Special Assessments	21,001	0	0	0	21,001
Charges for Services	3,565,851	0	3,336,578	25,982	6,928,411
Fines, Licenses, and Permits	1,482,129	0	0	28,352	1,510,481
Intergovernmental	1,102,045	1,239,025	2,959,628	2,117,692	7,418,390
Interest	113,732	60	30	78	113,900
Change in Fair Value of Investments	40,658	0	0	0	40,658
Contributions and Donations	1,000	25,000	0	0	26,000
Other	1,300,068	73,669	264,709	77,500	1,715,946
<i>Total Revenues</i>	<i>20,694,996</i>	<i>2,913,764</i>	<i>7,350,327</i>	<i>4,080,039</i>	<i>35,039,126</i>
Expenditures:					
Current:					
General Government	5,055,287	0	0	320,933	5,376,220
<i>Security of Persons and Property:</i>					
Police	5,679,441	0	0	653,776	6,333,217
Fire	5,330,875	0	0	955,474	6,286,349
Public Health	37,500	0	0	0	37,500
Leisure Time Services	0	0	0	687,027	687,027
Community Environment	32,565	0	0	756,013	788,578
Basic Utility Services	1,273,725	0	0	24,033	1,297,758
Transportation	416,942	998,116	5,840,100	361,687	7,616,845
Capital Outlay	645,357	816,433	123,713	1,061,748	2,647,251
Debt Service:					
Principal Retirement	1,777,450	547,000	1,000,309	674,332	3,999,091
Interest and Fiscal Charges	95,552	95,504	44,683	71,694	307,433
Issuance Costs	48,100	0	30,198	1,787	80,085
<i>Total Expenditures</i>	<i>20,392,794</i>	<i>2,457,053</i>	<i>7,039,003</i>	<i>5,568,504</i>	<i>35,457,354</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>302,202</i>	<i>456,711</i>	<i>311,324</i>	<i>(1,488,465)</i>	<i>(418,228)</i>
Other Financing Sources (Uses)					
Transfers In	0	0	0	1,375,665	1,375,665
Refunding Bonds Issued	1,605,000	0	960,000	220,000	2,785,000
Premium on Debt Issued	66,941	0	40,414	9,708	117,063
Proceeds from Sale of Capital Assets	15,300	0	0	526	15,826
Inception of Capital Lease	8,514	0	0	0	8,514
Transfers Out	(1,405,665)	0	0	0	(1,405,665)
<i>Total Other Financing Sources (Uses)</i>	<i>290,090</i>	<i>0</i>	<i>1,000,414</i>	<i>1,605,899</i>	<i>2,896,403</i>
<i>Net Change in Fund Balances</i>	<i>592,292</i>	<i>456,711</i>	<i>1,311,738</i>	<i>117,434</i>	<i>2,478,175</i>
<i>Fund Balances at Beginning of Year-Restated</i>	<i>5,066,626</i>	<i>1,998,804</i>	<i>534,506</i>	<i>2,365,972</i>	<i>9,965,908</i>
<i>Fund Balances at End of Year</i>	<i>\$5,658,918</i>	<i>\$2,455,515</i>	<i>\$1,846,244</i>	<i>\$2,483,406</i>	<i>\$12,444,083</i>

See accompanying notes to the basic financial statements.

City of Chillicothe
*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, 2020*

Net Change in Fund Balances - Total Governmental Funds \$2,478,175

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period:

Capital Asset Additions	2,647,251	
Current Year Depreciation	(3,399,348)	
Total		(752,097)

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. (196,157)

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

Delinquent Property Taxes	40,754	
Income Taxes	617,144	
Other Local Taxes	2,026	
Grants and Entitlements	(94,109)	
Delinquent Special Assessments	(1,775)	
Total		564,040

Repayment of bond, lease-purchase agreement, 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 Payments	3,999,091	
Trade In Value on Capital Leases	2,730	
Total		4,001,821

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 7,213

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:

Refunding Bonds Issued	(2,785,000)	
Premium on Debt Issued	(117,063)	
Inception of Capital Lease	(8,514)	
Total		(2,910,577)

Landfill closure expenditures that are reported as a reduction of a liability as a change in estimate are reported in the statement of activities. 49,832

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

Compensated Absences	196,307	
Amortization of Premiums on Debt Issued	33,215	
Total		229,522

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

Pensions	2,165,604	
OPEB	31,993	
Total		2,197,597

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expenses in the statement of activities.

Pensions	(3,715,432)	
OPEB	(929,913)	
Total		(4,645,345)

The internal service fund used by management to charge the costs of the fuel purchasing program to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds. 18,564

Net Change in Net Position of Governmental Activities \$1,042,588

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$972,000	\$1,076,353	\$1,021,655	(\$54,698)
Income Taxes	11,828,750	12,097,868	11,797,868	(300,000)
Other Local Taxes	375,000	294,357	294,357	0
Special Assessments	25,000	17,386	17,386	0
Charges for Services	3,626,984	3,401,423	3,394,762	(6,661)
Fines, Licenses, and Permits	1,666,800	1,332,549	1,331,854	(695)
Intergovernmental	989,365	1,109,590	1,109,590	0
Interest	222,000	4,654,942	194,794	(4,460,148)
Contributions and Donations	12,000	1,000	1,000	0
Other	902,690	1,882,574	1,310,623	(571,951)
<i>Total Revenues</i>	<i>20,620,589</i>	<i>25,868,042</i>	<i>20,473,889</i>	<i>(5,394,153)</i>
Expenditures:				
Current:				
General Government	7,140,359	10,201,172	5,430,716	4,770,456
<i>Security of Persons and Property</i>				
Police	5,865,320	5,925,113	5,627,884	297,229
Fire	5,248,374	5,556,969	5,274,025	282,944
Basic Utility Services	1,447,225	1,228,789	1,139,840	88,949
Transportation	333,000	337,000	323,996	13,004
Community Environment	625	625	0	625
Capital Outlay	0	459,308	459,308	0
Debt Service:				
Principal Retirement	100,764	142,760	142,745	15
Interest and Fiscal Charges	71,892	56,851	55,989	862
<i>Total Expenditures</i>	<i>20,207,559</i>	<i>23,908,587</i>	<i>18,454,503</i>	<i>5,454,084</i>
<i>Excess of Revenues Over Expenditures</i>	<i>413,030</i>	<i>1,959,455</i>	<i>2,019,386</i>	<i>59,931</i>
Other Financing Sources (Uses)				
Transfers In	4,344,559	4,910,495	4,030,939	(879,556)
Proceeds from Sale of Capital Assets	0	15,300	15,300	0
Bonds Issued	610,000	0	0	0
Advances In	0	108,409	108,409	0
Transfers Out	(5,655,545)	(6,011,436)	(5,575,604)	435,832
Advances Out	0	(358,409)	(358,409)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(700,986)</i>	<i>(1,335,641)</i>	<i>(1,779,365)</i>	<i>(443,724)</i>
<i>Net Change in Fund Balances</i>	<i>(287,956)</i>	<i>623,814</i>	<i>240,021</i>	<i>(383,793)</i>
<i>Fund Balances at Beginning of Year-Restated</i>	<i>3,297,097</i>	<i>3,297,097</i>	<i>3,297,097</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>114,491</i>	<i>114,491</i>	<i>114,491</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$3,123,632</i>	<i>\$4,035,402</i>	<i>\$3,651,609</i>	<i>(\$383,793)</i>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,577,500	\$1,610,663	\$1,560,663	(\$50,000)
Intergovernmental	1,385,000	1,257,751	1,257,751	0
Interest	0	60	60	0
Contributions and Donations	0	25,000	25,000	0
Other	27,941	94,869	73,669	(21,200)
<i>Total Revenues</i>	<u>2,990,441</u>	<u>2,988,343</u>	<u>2,917,143</u>	<u>(71,200)</u>
Expenditures:				
Current:				
Transportation	3,470,210	2,470,157	1,006,850	1,463,307
Capital Outlay	0	816,433	816,433	0
Debt Service:				
Principal Retirement	547,000	547,000	547,000	0
Interest and Fiscal Charges	96,366	96,366	95,504	862
<i>Total Expenditures</i>	<u>4,113,576</u>	<u>3,929,956</u>	<u>2,465,787</u>	<u>1,464,169</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,123,135)	(941,613)	451,356	1,392,969
Other Financing Sources (Uses)				
Bonds Issued	375,000	0	0	0
Transfers In	1,850,244	1,850,244	1,857,744	7,500
Transfers Out	(1,895,244)	(1,910,629)	(1,857,744)	52,885
<i>Total Other Financing Sources (Uses)</i>	<u>330,000</u>	<u>(60,385)</u>	<u>0</u>	<u>60,385</u>
<i>Net Change in Fund Balances</i>	(793,135)	(1,001,998)	451,356	1,453,354
<i>Fund Balances at Beginning of Year-Restated</i>	1,388,566	1,388,566	1,388,566	0
<i>Prior Year Encumbrances Appropriated</i>	<u>279,325</u>	<u>279,325</u>	<u>279,325</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$874,756</u>	<u>\$665,893</u>	<u>\$2,119,247</u>	<u>\$1,453,354</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$788,750	\$806,709	\$781,709	(\$25,000)
Charges for Services	5,102,000	3,443,658	3,443,658	0
Intergovernmental	1,511,835	3,228,956	2,973,857	(255,099)
Interest	0	30	30	0
Other	241,559	366,659	290,069	(76,590)
<i>Total Revenues</i>	<u>7,644,144</u>	<u>7,846,012</u>	<u>7,489,323</u>	<u>(356,689)</u>
Expenditures:				
Current:				
Transportation	7,528,972	7,313,075	6,027,987	1,285,088
Capital Outlay	0	123,713	123,713	0
Debt Service:				
Principal Retirement	30,000	45,000	45,000	0
Interest and Fiscal Charges	41,256	26,256	23,601	2,655
<i>Total Expenditures</i>	<u>7,600,228</u>	<u>7,508,044</u>	<u>6,220,301</u>	<u>1,287,743</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	43,916	337,968	1,269,022	931,054
Other Financing Sources (Uses)				
Advances In	0	108,409	108,409	0
Transfers Out	(49,232)	(55,482)	0	55,482
Advances Out	0	(108,409)	(108,409)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(49,232)</u>	<u>(55,482)</u>	<u>0</u>	<u>55,482</u>
<i>Net Change in Fund Balances</i>	(5,316)	282,486	1,269,022	986,536
<i>Fund Balances at Beginning of Year</i>	421,720	421,720	421,720	0
<i>Prior Year Encumbrances Appropriated</i>	5,873	5,873	5,873	0
<i>Fund Balances at End of Year</i>	<u>\$422,277</u>	<u>\$710,079</u>	<u>\$1,696,615</u>	<u>\$986,536</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2020

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Assets:				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,598,893	\$6,723,632	\$12,322,525	\$72,973
Materials and Supplies Inventory	43,977	42,912	86,889	0
Accounts Receivable	1,026,652	816,101	1,842,753	0
Intergovernmental Receivable	2,857	2,579	5,436	0
Prepaid Items	78,828	47,256	126,084	0
<i>Total Current Assets</i>	<u>6,751,207</u>	<u>7,632,480</u>	<u>14,383,687</u>	<u>72,973</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	1,453,596	1,664,410	3,118,006	0
Depreciable Capital Assets, Net	18,227,899	12,409,725	30,637,624	0
<i>Total Noncurrent Assets</i>	<u>19,681,499</u>	<u>14,692,601</u>	<u>34,374,100</u>	<u>0</u>
<i>Total Assets</i>	<u>26,432,706</u>	<u>22,325,081</u>	<u>48,757,787</u>	<u>72,973</u>
Deferred Outflows of Resources:				
Pensions	308,165	255,928	564,093	0
OPEB	212,597	176,561	389,158	0
<i>Total Deferred Outflows of Resources</i>	<u>520,762</u>	<u>432,489</u>	<u>953,251</u>	<u>0</u>
Liabilities:				
<i>Current:</i>				
Accounts Payable	50,268	68,942	119,210	0
Accrued Wages and Benefits Payable	46,726	51,087	97,813	0
Contracts Payable	0	331,383	331,383	0
Intergovernmental Payable	18,593	20,868	39,461	0
Accrued Interest Payable	1,234	7,608	8,842	0
Bond Anticipation Note Payable	0	2,140,000	2,140,000	0
Compensated Absences Payable	214,208	75,698	289,906	0
General Obligation Bonds Payable	13,000	148,000	161,000	0
Capital Lease Payable	1,243	0	1,243	0
<i>Total Current Liabilities</i>	<u>345,272</u>	<u>2,843,586</u>	<u>3,188,858</u>	<u>0</u>
<i>Noncurrent:</i>				
Compensated Absences Payable-Net of Current Portion	319,784	124,782	444,566	0
General Obligation Bonds Payable-Net of Current Portion	386,335	680,521	1,066,856	0
Capital Lease Payable-Net of Current Portion	3,491	0	3,491	0
Net Pension Liability	1,876,228	1,558,199	3,434,427	0
Net OPEB Liability	1,296,091	1,076,398	2,372,489	0
<i>Total Noncurrent Liabilities</i>	<u>3,881,929</u>	<u>3,439,900</u>	<u>7,321,829</u>	<u>0</u>
<i>Total Liabilities</i>	<u>4,227,201</u>	<u>6,283,486</u>	<u>10,510,687</u>	<u>0</u>
Deferred Inflows of Resources:				
Pensions	410,606	341,005	751,611	0
OPEB	192,174	159,600	351,774	0
<i>Total Deferred Inflows of Resources</i>	<u>602,780</u>	<u>500,605</u>	<u>1,103,385</u>	<u>0</u>
Net Position:				
Net Investment in Capital Assets	19,277,426	12,582,777	31,860,203	0
Restricted for:				
Debt Service	4	0	4	0
Capital Outlay	0	618,466	618,466	0
Unrestricted	2,846,057	2,772,236	5,618,293	72,973
<i>Total Net Position</i>	<u>\$22,123,487</u>	<u>\$15,973,479</u>	<u>\$38,096,966</u>	<u>\$72,973</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Operating Revenues:				
Charges for Services	\$4,707,309	\$3,832,193	\$8,539,502	\$240,450
Other	216,368	145,573	361,941	0
<i>Total Operating Revenues</i>	<u>4,923,677</u>	<u>3,977,766</u>	<u>8,901,443</u>	<u>240,450</u>
Operating Expenses:				
Personal Services	1,958,845	1,421,690	3,380,535	0
Fringe Benefits	731,418	774,115	1,505,533	0
Travel	127	98	225	0
Contractual Services	748,303	546,192	1,294,495	0
Materials and Supplies	615,843	266,486	882,329	221,886
Depreciation	930,839	729,984	1,660,823	0
Other	2,885	3,406	6,291	0
<i>Total Operating Expenses</i>	<u>4,988,260</u>	<u>3,741,971</u>	<u>8,730,231</u>	<u>221,886</u>
<i>Operating Income (Loss)</i>	(64,583)	235,795	171,212	18,564
Nonoperating Expenses				
Gain on Sale of Capital Assets	855	3,985	4,840	0
Interest and Fiscal Charges	(12,253)	(37,482)	(49,735)	0
Loss on Sale of Capital Assets	(45,297)	0	(45,297)	0
Bond Issuance Costs	0	(12,414)	(12,414)	0
<i>Total Nonoperating Expenses</i>	<u>(56,695)</u>	<u>(45,911)</u>	<u>(102,606)</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	(121,278)	189,884	68,606	18,564
Transfers In	0	30,000	30,000	0
<i>Change in Net Position</i>	(121,278)	219,884	98,606	18,564
<i>Net Position Beginning of Year</i>	<u>22,244,765</u>	<u>15,753,595</u>	<u>37,998,360</u>	<u>54,409</u>
<i>Net Position End of Year</i>	<u>\$22,123,487</u>	<u>\$15,973,479</u>	<u>\$38,096,966</u>	<u>\$72,973</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,291,519	\$3,526,351	\$7,817,870	\$240,450
Cash Received from Other Receipts	213,511	142,994	356,505	0
Cash Payments to Employees	(2,203,073)	(1,843,719)	(4,046,792)	0
Cash Payments for Contractual Services	(739,366)	(566,095)	(1,305,461)	0
Cash Payments for Supplies and Materials	(636,433)	(288,010)	(924,443)	(231,732)
Cash Payments for Other Expenses	(3,012)	(3,504)	(6,516)	0
<i>Net Cash Provided (Used) by Operating Activities</i>	923,146	968,017	1,891,163	8,718
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	0	30,000	30,000	0
<i>Net Cash Provided (Used) by Noncapital Financing Activities</i>	0	30,000	30,000	0
Cash Flows from Capital and Related Financing Activities:				
Proceeds Received from Refunding Bonds and Bond Anticipation Notes	0	2,555,000	2,555,000	0
Premium Received from Issuance of Debt	0	19,339	19,339	0
Principal Paid on Bonds and Capital Leases	(452,894)	(562,000)	(1,014,894)	0
Interest Paid on Bonds and Capital Leases	(12,935)	(31,790)	(44,725)	0
Issuance Costs on Bonds	0	(12,414)	(12,414)	0
Cash Received from Sale of Capital Assets	855	3,985	4,840	0
Cash Paid to Acquire/Construct Capital Assets	(221,700)	(935,877)	(1,157,577)	0
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	(686,674)	1,036,243	349,569	0
<i>Net Change in Cash and Cash Equivalents</i>	236,472	2,034,260	2,270,732	8,718
<i>Cash and Cash Equivalents Beginning of Year</i>	5,362,425	5,307,838	10,670,263	64,255
<i>Cash and Cash Equivalents End of Year</i>	\$5,598,897	\$7,342,098	\$12,940,995	\$72,973
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(\$64,583)	\$235,795	\$171,212	\$18,564
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>				
Depreciation Expense	930,839	729,984	1,660,823	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows:</i>				
(Increase) Decrease in Accounts Receivable	(415,790)	(305,842)	(721,632)	0
(Increase) Decrease in Intergovernmental Receivable	(2,857)	(2,579)	(5,436)	0
(Increase) Decrease in Materials and Supplies Inventory	(9,292)	(34,958)	(44,250)	0
(Increase) Decrease in Prepaid Items	406	1,659	2,065	0
(Increase) Decrease in Deferred Outflows of Resources	362,800	231,634	594,434	0
Increase (Decrease) in Accounts Payable	(2,767)	(8,128)	(10,895)	(9,846)
Increase (Decrease) in Accrued Wages and Benefits Payable	19,727	30,611	50,338	0
Increase (Decrease) in Intergovernmental Payable	(2,999)	2,507	(492)	0
Increase (Decrease) in Compensated Absences Payable	55,443	(79,726)	(24,283)	0
Increase (Decrease) in Net Pension Liability	(629,360)	(410,477)	(1,039,837)	0
Increase (Decrease) in Net OPEB Liability	115,834	149,053	264,887	0
Increase (Decrease) in Deferred Inflows of Resources	565,745	428,484	994,229	0
<i>Net Cash Provided (Used) by Operating Activities</i>	\$923,146	\$968,017	\$1,891,163	\$8,718

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2020

Assets:

Equity in Pooled Cash and Cash Equivalents	\$38,105
Cash and Cash Equivalents in Segregated Accounts	<u>163,598</u>
<i>Total Assets</i>	<u>201,703</u>

Liabilities:

Intergovernmental Payable	<u>163,598</u>
<i>Total Liabilities</i>	<u>163,598</u>

Net Position:

Restricted for Individuals, Organizations, and Other Governments	<u>38,105</u>
<i>Total Net Position</i>	<u><u>\$38,105</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

Additions:

Fines and Forfeitures for Other Governments	<u>\$1,382,510</u>
<i>Total Additions</i>	<u>1,382,510</u>

Deductions:

Fines and Forfeitures Distributions to Other Governments	<u>1,382,461</u>
<i>Total Deductions</i>	<u>1,382,461</u>

<i>Change in Net Position</i>	49
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<i>Net Position at Beginning of Year-Restated</i>	<u>38,056</u>
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<i>Net Position at End of Year</i>	<u><u>\$38,105</u></u>
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See accompanying notes to the basic financial statements.

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, recycling, 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 provision of a 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.

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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 and Repair Fund – This fund accounts for the portion of state gasoline taxes, 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.

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, capital projects, and permanent 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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 custodial 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. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary funds are custodial funds. The City's custodial 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.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, 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 bases 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.

Deferred Inflows and Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 for pensions and other postemployment benefits (OPEB). The deferrals for pension and OPEB result from changes in net pension/OPEB liabilities not recognized as a component of current year pension/OPEB expense. These amounts are deferred and amortized over various periods as instructed by the pension/OPEB plan administrators. Deferred outflows of resources related to pensions/OPEB are explained further in notes 12 and 13.

In addition to liabilities, the statements of financial 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 amounts related to pensions and other postemployment benefits (OPEB). Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance year 2021 operations. These amounts have been recorded as deferred inflows on

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 liabilities 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.

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 and other local 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.

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 custodial 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, 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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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 2020 amounted to \$113,732, which includes \$94,781 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 the government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

On the 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, 2020 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 is consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the City are reported as restricted in the general fund. 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 in both the business-type activities column of the government-wide statement of net position and in the respective funds.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

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	Business-Type Activities
	Estimated Lives	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 Statement 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 the 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.

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 lease-purchase agreements 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 of 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 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.

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 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 the 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.

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 2020.

Estimates

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 and 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 and repair fund, and bus transit fund:

	Net Change in Fund Balance		
	General	Street Construction Maintenance and Repair	Bus Transit
GAAP Basis	\$592,292	\$456,711	\$1,311,738
Adjustments:			
Net Adjustments for Revenue Accruals	(160,993)	3,379	138,996
Net Adjustments for Expenditure Accruals	1,837,521	(8,734)	824,653
Net Adjustments for Other Sources (Uses)	(1,995,455)	0	(1,000,414)
Encumbrances	(47,067)	0	(5,951)
<i>Perspective Differences:</i>			
Activity of Funds Reclassified for GAAP Reporting Purposes	13,723	0	0
Budget Basis	<u>\$240,021</u>	<u>\$451,356</u>	<u>\$1,269,022</u>

Note 4 – 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. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National

City of Chillicothe
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For the Year Ended December 31, 2020

- Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
 4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
 5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
 6. The State Treasurer's investment pool (STAR Ohio);
 7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
 8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
Pooled	\$23,468,206
Segregated	232,995
Fiscal Agents	4
Investment (Carrying Amount)	1,000
Reconciling items (net) to arrive at bank balances for deposits	587,969
<i>Total available for deposit and investment</i>	<u><u>\$24,290,174</u></u>

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

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

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

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, 2020, the carrying amount of all City deposits, including deposits in segregated accounts, was \$22,153,116. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2020, the City's bank balance of \$22,731,188 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:

City of Chillicothe
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For the Year Ended December 31, 2020

- 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.

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

Investments

As of December 31, 2020, the City had the following investment and maturity:

Investment Type	Fair Value	Maturity	% of Portfolio
U.S. Treasury Bond	\$1,000	Less Than 1 Year	0.06%
Negotiable Certificates of Deposit	499,856	Less Than 1 Year	32.27%
Negotiable Certificates of Deposit	254,936	1 to 2 Years	16.46%
Negotiable Certificates of Deposit	793,297	3 to 5 Years	51.21%
Total	<u>\$1,549,089</u>		<u>100.00%</u>

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. The City's U.S. Treasury bond is rated AA+ by Standard and Poor's. The City's negotiable certificates of deposit are not rated.

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 the 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, 2020. The City's investments are Level 1 inputs.

Note 5 – Receivables

Receivables at December 31, 2020 consisted of property and other taxes, municipal income taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Governmental Activities:

General Fund:

Local Government Distributions	\$356,043
State Property Tax Reimbursements	61,900
State Liquor Permits	2,127
Police Grants	1,378
Law Director Salary Subsidy	60,546
Public Safety Grants	1,834
Workers Compensation Rebates	22,191

<i>Total General Fund</i>	<u>506,019</u>
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Street Construction Maintenance and Repair Distributions	612,390
Bus Transit Grants	129,048

Nonmajor Governmental Funds:

State Highway Distributions	49,590
Parks and Recreation	711
State Grants	86,668
Law Enforcement Trust	471
Parking	204
Police and Fire Pension State Property Tax Reimbursements	14,894

<i>Total Nonmajor Governmental Funds</i>	<u>152,538</u>
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<i>Total Governmental Activities</i>	<u><u>\$1,399,995</u></u>
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Business-Type Activities:

Water	\$2,857
Sewer	2,579

<i>Total Business-Type Activities</i>	<u><u>\$5,436</u></u>
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City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 6 – Capital Assets

The following table provides a summary of the changes in capital assets during 2020 for the governmental activities:

	Balance 1/1/20*	Additions	Deletions	Balance 12/31/20
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$6,989,731	\$0	\$0	\$6,989,731
Construction in Progress	9,560	47,780	(57,340)	0
Total Nondepreciable Capital Assets	6,999,291	47,780	(57,340)	6,989,731
<i>Depreciable Capital Assets:</i>				
Land Improvements	5,237,838	0	0	5,237,838
Buildings, Structures, and Improvements	21,602,061	394,014	(162,413)	21,833,662
Furniture, Fixtures, Equipment, and Vehicles	16,164,401	1,446,364	(365,808)	17,244,957
Infrastructure	70,420,003	816,433	(556,200)	70,680,236
Total Depreciable Capital Assets	113,424,303	2,656,811	(1,084,421)	114,996,693
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(5,054,095)	(58,191)	0	(5,112,286)
Buildings, Structures, and Improvements	(11,695,549)	(461,946)	101,851	(12,055,644)
Furniture, Fixtures, Equipment, and Vehicles	(12,828,622)	(989,300)	344,910	(13,473,012)
Infrastructure	(48,043,672)	(1,889,911)	441,503	(49,492,080)
Total Accumulated Depreciation	(77,621,938)	(3,399,348)	888,264	(80,133,022)
Total Capital Assets Being Depreciated, Net	35,802,365	(742,537)	(196,157)	34,863,671
<i>Governmental Activities Capital Assets, Net</i>	<u>\$42,801,656</u>	<u>(\$694,757)</u>	<u>(\$253,497)</u>	<u>\$41,853,402</u>

*Restated. See note 26.

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

Governmental Activities:	
General Government	\$312,312
<i>Security of Persons and Property:</i>	
Police	319,028
Fire	182,916
Transportation	1,710,835
Community Environment	687,994
Leisure Time Activities	186,263
<i>Governmental Activities Depreciation Expense</i>	<u>\$3,399,348</u>

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The following table provides a summary of the changes in capital assets during 2020 for the business-type activities:

	Balance 1/1/20*	Additions	Deletions	Balance 12/31/20
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,923,669	\$0	\$0	\$1,923,669
Construction in Progress	0	1,194,337	0	1,194,337
Total Nondepreciable Capital Assets	1,923,669	1,194,337	0	3,118,006
<i>Depreciable Capital Assets:</i>				
Land Improvements	277,921	0	0	277,921
Buildings, Structures, and Improvements	5,900,124	0	0	5,900,124
Plant and Facilities	26,027,607	0	(531)	26,027,076
Furniture, Fixtures, Equipment, and Vehicles	4,368,497	66,959	(68,772)	4,366,684
Infrastructure	31,977,903	134,534	(73,991)	32,038,446
Total Depreciable Capital Assets	68,552,052	201,493	(143,294)	68,610,251
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(277,921)	0	0	(277,921)
Buildings, Structures, and Improvements	(3,327,338)	(196,095)	0	(3,523,433)
Plant and Facilities	(14,813,987)	(516,040)	0	(15,330,027)
Furniture, Fixtures, Equipment, and Vehicles	(3,412,258)	(319,105)	68,772	(3,662,591)
Infrastructure	(14,578,297)	(629,583)	29,225	(15,178,655)
Total Accumulated Depreciation	(36,409,801)	(1,660,823)	97,997	(37,972,627)
Total Capital Assets Being Depreciated, Net	32,142,251	(1,459,330)	(45,297)	30,637,624
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$34,065,920</u>	<u>(\$264,993)</u>	<u>(\$45,297)</u>	<u>\$33,755,630</u>

*An error in classification was identified by the City and corrected in the table above.

Note 7 – Long-Term Obligations

The City's long-term obligations activity for the year ended December 31, 2020 was as follows:

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

	Balance 1/1/20*	Additions	Deletions	Balance 12/31/20	Due Within One Year
Governmental Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$4,850,000, 1.00% - 4.00%, 2013-2041					
Serial Bonds	\$630,000	\$0	(\$630,000)	\$0	\$0
Term Bonds	2,330,000	0	(2,330,000)	0	0
Issuance Premium on Bonds	5,963	0	(5,963)	0	0
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	0	745,000	(45,000)	700,000	210,000
Term Bonds	0	2,040,000	0	2,040,000	0
Issuance Premium on Bonds	0	117,063	(930)	116,133	0
<i>General Obligation Bonds:</i>					
Street Improvement Project (2016)					
\$3,000,000, 2.52%, 2016-2026	2,175,000	0	(290,000)	1,885,000	295,000
Issuance Premium on Bonds	71,523	0	(10,218)	61,305	0
Squad/Leaf Blower \$210,000, 2.20%, 2016-2020	53,603	0	(53,603)	0	0
7 Police Cruisers (2017) \$235,000, 2.65%, 2017-2020	59,934	0	(59,934)	0	0
Street Improvement Project (2017)					
\$1,490,000, 2.49%, 2017-2024	1,095,000	0	(210,000)	885,000	210,000
Issuance Premium on Bonds	41,944	0	(8,389)	33,555	0
Street Sweeper \$175,000, 2.49%, 2017-2024	115,000	0	(40,000)	75,000	40,000
Issuance Premium on Bonds	3,199	0	(1,066)	2,133	0
Garbage Truck \$165,000, 2.49%, 2017-2024	100,000	0	(25,000)	75,000	35,000
Issuance Premium on Bonds	3,080	0	(1,027)	2,053	0
Police Cruisers/Squad 2018 \$297,889, 3.35%, 2018-2023	238,311	0	(59,578)	178,733	59,578
2019 General Obligation Bonds \$1,391,000, 4.0%, 2019-2039	1,391,000	0	(61,000)	1,330,000	64,000
Issuance Premium on Bonds	112,440	0	(5,622)	106,818	0
<i>Other Long-Term Obligations:</i>					
Compensated Absences	1,955,097	847,517	(1,043,824)	1,758,790	661,862
Lease-Purchase Agreements	495,500	0	(100,005)	395,495	105,234
Capital Leases	209,745	8,514	(97,701)	120,558	100,340
Landfill Post-Closure Care	49,832	0	(49,832)	0	0
<i>Net Pension Liability:</i>					
OPERS	11,505,249	0	(3,540,019)	7,965,230	0
OP&F	22,681,291	0	(3,684,398)	18,996,893	0
Total Net Pension Liability	34,186,540	0	(7,224,417)	26,962,123	0
<i>Net OPEB Liability:</i>					
OPERS	5,419,549	82,800	0	5,502,349	0
OP&F	2,530,406	255,094	0	2,785,500	0
Total Net OPEB Liability	7,949,955	337,894	0	8,287,849	0
<i>Governmental Activities Long-Term Obligations</i>	<u>\$53,272,666</u>	<u>\$4,095,988</u>	<u>(\$12,353,109)</u>	<u>\$45,015,545</u>	<u>\$1,781,014</u>

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

*Previously reported balances were misstated. Corrections were made to properly reflect beginning balances. This correction did not have an effect on beginning net position.

General obligation bonds issued for governmental activities of the City are retired from the general, street construction maintenance and 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.

Compensated absences and net pension and OPEB obligations will be paid from the funds from which the employees' salaries are paid, which include the general, street construction maintenance and repair, parks and 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 was 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 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 were retired through the general fund, bus transit fund, police and fire pension funds, and safety capital fund and through the issuance of refunding bonds in 2020.

During 2020, the City issued \$3,200,000 of general obligation bonds for the refunding of \$2,765,000 of the 2013 series bonds for governmental funds and \$415,000 of the 2013 series bonds for the sewer fund. The \$117,063 and \$19,339 premiums on the issuance of the refunding bonds for the governmental funds and sewer fund, respectively, are netted against this debt and are being amortized over the life of this debt. The refunding was undertaken to reduce total future debt service payments by \$667,133 and to obtain an economic gain of \$385,855 for the \$3,200,000 of bonds refunded. The refunding bonds will be retired through the general fund, bus transit fund, police and fire pension funds, safety capital fund, and sewer fund.

The various purpose bonds maturing December 1, 2028 shall be subject to mandatory sinking fund redemption in part on December 1, 2026 and December 1, 2027 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
2026	\$100,000
2027	100,000

Unless otherwise called for redemption, the remaining \$110,000 principal amount of such various purpose bonds shall be payable at stated maturity (December 1, 2028).

The various purpose bonds maturing December 1, 2032 shall be subject to mandatory sinking fund redemption in part on December 1, 2029, 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:

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2029	\$110,000
2030	115,000
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).

The various purpose bonds maturing December 1, 2034 shall be subject to mandatory sinking fund redemption in part on December 1, 2033 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

Unless otherwise called for redemption, the remaining \$125,000 principal amount of such various purpose bonds shall be payable at stated maturity (December 1, 2034).

The various purpose bonds maturing December 1, 2036 shall be subject to mandatory sinking fund redemption in part on December 1, 2035 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
2035	\$130,000

Unless otherwise called for redemption, the remaining \$135,000 principal amount of such various purpose bonds shall be payable at stated maturity (December 1, 2036).

The various purpose bonds maturing December 1, 2041 shall be subject to mandatory sinking fund redemption in part on December 1, 2037, 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
2037	\$140,000
2038	145,000
2039	150,000
2040	155,000

Unless otherwise called for redemption, the remaining \$160,000 principal amount of such various purpose bonds shall be payable at stated maturity (December 1, 2041).

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 will be retired through the street construction maintenance and repair fund using tax revenues.

City of Chillicothe
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For the Year Ended December 31, 2020

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. These bonds were retired through the general and safety levy capital funds using tax revenues. The final payment on these bonds was made in 2020.

In May 2017, the City issued \$235,000 of general obligation bonds for the purpose of purchasing 7 police vehicles. These bonds were retired through the safety levy capital fund using tax revenues. The final payment on these bonds was made in 2020.

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.

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.

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.

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.

During 2019, the City issued \$1,391,000 of various purpose general obligation bonds for the purpose of purchasing the Pepsi building (\$1,146,000), a state highway plow/mower (\$115,000), and the parks and recreation bus garage (\$130,000). This bond will be retired through the general fund using tax revenues.

The various purpose bonds maturing December 1, 2036 shall be subject to mandatory sinking fund redemption in part on 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
2034	\$120,000
2035	125,000
2036	130,000

The various purpose bonds maturing December 1, 2039 shall be subject to mandatory sinking fund redemption in part on December 1, 2037, December 1, 2038, and December 1, 2039 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
2037	\$135,000
2038	140,000
2039	145,000

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Business-Type Activities Bonds and Other Long-Term Obligations

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20	Due Within One Year
Business-Type Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$1,670,000, 1.00% - 4.00%, 2013-2023	\$545,000	\$0	(\$545,000)	\$0	\$0
Issuance Premium on Bonds	9,929	0	(9,929)	0	0
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	0	415,000	(5,000)	410,000	135,000
Issuance Premium on Bonds	0	19,339	(153)	19,186	0
<i>General Obligation Bonds:</i>					
ARMC Water Project Bond, 1.50%	440,000	0	(440,000)	0	0
Issuance Premium on Bonds	8,280	0	(8,280)	0	0
2019 Building Purchase Bond, 4.0%	764,000	0	(24,000)	740,000	26,000
Issuance Premium on Bonds	61,758	0	(3,088)	58,670	0
<i>Other Long-Term Obligations:</i>					
Compensated Absences	758,755	212,995	(237,278)	734,472	289,906
Capital Leases	5,628	0	(894)	4,734	1,243
<i>Net Pension Liability-OPERS:</i>					
Water	2,505,588	0	(629,360)	1,876,228	0
Sewer	1,968,676	0	(410,477)	1,558,199	0
Total Net Pension Liability-OPERS	4,474,264	0	(1,039,837)	3,434,427	0
<i>Net OPEB Liability-OPERS:</i>					
Water	1,180,257	115,834	0	1,296,091	0
Sewer	927,345	149,053	0	1,076,398	0
Total Net OPEB Liability-OPERS	2,107,602	264,887	0	2,372,489	0
<i>Business-Type Activities</i>					
<i>Long-Term Obligations</i>	\$9,175,216	\$912,221	(\$2,313,459)	\$7,773,978	\$452,149

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 were retired through the sewer fund and through the issuance of refunding bonds in 2020, which is discussed on page 58.

During 2015, the City issued \$2,135,000 of general obligation bonds to retire the \$2,441,000 of bond anticipation notes. The bonds were retired through the water fund. The final payment on these bonds was made in 2020.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

General Obligation Bonds

During 2019, the City issued \$764,000 of general obligation bonds for the purpose of purchasing the Pepsi building. The premium of \$61,758 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 water and sewer funds.

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	2020 G.O. Refunding Bonds		2016 Street Improvement		2018 Police	
	Governmental Activities		Project G.O. Bonds		Cruiser/Squad Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$210,000	\$82,200	\$295,000	\$45,875	\$59,578	\$5,988
2022	125,000	75,900	305,000	39,975	59,578	3,992
2023	135,000	72,150	310,000	33,875	59,577	1,996
2024	135,000	68,100	315,000	27,675	0	0
2025	95,000	64,050	325,000	19,800	0	0
2026-2030	535,000	275,100	335,000	10,050	0	0
2031-2035	620,000	189,300	0	0	0	0
2036-2040	725,000	90,750	0	0	0	0
2041	160,000	4,800	0	0	0	0
Total	\$2,740,000	\$922,350	\$1,885,000	\$177,250	\$178,733	\$11,976

For year ended December 31	2019 G.O. Bonds		2017 Street Improvement	
	Governmental Activities		Project G.O. Bonds	
	Principal	Interest	Principal	Interest
2021	\$64,000	\$53,200	\$210,000	\$23,275
2022	72,000	50,640	220,000	18,025
2023	75,000	47,760	225,000	12,525
2024	75,000	44,760	230,000	6,900
2025	53,000	41,760	0	0
2026-2030	289,000	175,920	0	0
2031-2035	356,000	113,360	0	0
2036-2039	346,000	35,200	0	0
Total	\$1,330,000	\$562,600	\$885,000	\$60,725

For year ended December 31	2017 Street Sweeper		2017 Garbage Truck	
	G.O. Bonds		G.O. Bonds	
	Principal	Interest	Principal	Interest
2021	\$40,000	\$1,875	\$35,000	\$1,875
2022	35,000	875	40,000	1,000
Total	\$75,000	\$2,750	\$75,000	\$2,875

City of Chillicothe
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For the Year Ended December 31, 2020

For year ended December 31	2020 G.O. Refunding Bonds		2019 G.O. Bonds		2019 G.O. Bonds	
	Sewer		Sewer		Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$135,000	\$12,300	\$13,000	\$14,800	\$13,000	\$14,800
2022	140,000	8,250	14,000	14,280	14,000	14,280
2023	135,000	4,050	15,000	13,720	15,000	13,720
2024	0	0	15,000	13,120	15,000	13,120
2025	0	0	16,000	12,520	16,000	12,520
2026-2030	0	0	88,000	52,640	88,000	52,640
2031-2035	0	0	107,000	33,520	107,000	33,520
2036-2039	0	0	102,000	10,400	102,000	10,400
Total	\$410,000	\$24,600	\$370,000	\$165,000	\$370,000	\$165,000

Note 8 – 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, 2020, the hospital revenue refunding bonds aggregated principal amount payable was \$145,570,000.

Note 9 – Other Long-Term Obligations

Changes in the other long-term obligations of the City during the 2020 fiscal year were as follows:

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20	Due Within One Year
Governmental Activities:					
<i>Lease-Purchase Agreements:</i>					
Police Cruisers – 2019 – 3.25%	\$106,430	\$0	(\$25,040)	\$81,390	\$26,267
Police Radios – 2019 – 3.25%	238,080	0	(56,014)	182,066	58,758
CAD System – 2019 – 3.40%	150,990	0	(18,951)	132,039	20,209
<i>Governmental Activities</i>					
<i>Other Long-Term Obligations</i>	\$495,500	\$0	(\$100,005)	\$395,495	\$105,234

In June 2019, the City entered into a lease-purchase financing agreement with Huntington National Bank. The two-party agreement entered into a contract to lease the property to the City. The City received \$495,500 from Huntington National Bank to provide for the acquisition of two police cruisers and a K-9 unit, radio equipment, and computer-aided design equipment. Upon final payment of all scheduled lease payments, ownership reverts back to the City.

The City's lease-purchase agreements are from direct borrowings related to governmental activities of \$495,500 and are collateralized by the vehicles and equipment purchased with the lease-purchase agreements' proceeds. These

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

lease-purchase agreements from direct borrowings contain a provision that in an event of default, the City is subject to one or more of the following remedies: a) all amounts currently due and all remaining lease payments due under the lease to become immediately due and payable; b) prompt return of equipment to lessor; c) sell, lease, or otherwise dispose of equipment and provide proceeds to lessor; d) payment of all out-of-pocket costs and expenses incurred by lessor as a result of the default; and e) any other appropriate court action to enforce the terms of, recover damages for the breach of, or rescind the lease.

Principal and interest components of the scheduled lease purchase agreement payments outstanding at December 31, 2020 are shown below.

For year ended December 31	Police Cruisers		Police Radios		CAD System	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$26,267	\$2,645	\$58,758	\$5,917	\$20,209	\$4,489
2022	27,121	1,791	60,668	4,008	20,896	3,802
2023	28,002	910	62,640	2,036	21,606	3,092
2024	0	0	0	0	22,341	2,357
2025	0	0	0	0	23,101	1,598
2026	0	0	0	0	23,886	812
Total	\$81,390	\$5,346	\$182,066	\$11,961	\$132,039	\$16,150

Note 10 – Notes Payable

A summary of the note transactions for the year ended December 31, 2020 follows:

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20
Business-Type Activities:				
2020 Bond Anticipation Notes – Sanitary Sewer System Improvements	\$0	\$2,140,000	\$0	\$2,140,000

In September 2020, the City issued bond anticipation notes in the amount of \$2,140,000 for the purpose of providing funds for the sanitary sewer system improvement project. These notes carry an interest rate of 1 percent and a maturity date of September 29, 2021. These notes are backed by the full faith and credit of the City. The note liability is reflected in the fund that received the proceeds and is expected to be retired with proceeds from bonds in the fall of 2021.

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 schedules. 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 and repair, and parks and recreation funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$453,174 in the governmental activities, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2020 were \$94,971 in the governmental funds. The lease balance was also reduced by a trade-in value of \$2,730.

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 \$6,046 in the water fund and business-type activities. Principal payments in 2020 were \$894 in the water fund.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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, 2020 are as follows:

Year Ended December 31,	Governmental Activities	Business-Type Activities – Water Fund
2021	\$105,744	\$1,559
2022	17,787	1,439
2023	1,703	1,439
2024	1,702	960
Total Future Minimum Lease Payments	126,936	5,397
Less: Amount Representing Interest	(6,378)	(663)
Present Value of Net Minimum Lease	<u>\$120,558</u>	<u>\$4,734</u>

Several of the City's capital lease are from direct borrowings related to governmental activities and the water fund and are collateralized by the equipment acquired with the capital lease agreements' proceeds. These capital lease agreements from direct borrowings contain provision that in an event of default, the City may be subject to one or more of the following remedies: a) cancellation of agreement and required payment of unpaid balance; b) assessment of interest at default rate of interest; c) cessation of use of equipment and surrender of equipment to lessor with costs to return, move, store, repair, and sell equipment to be paid by the City; and d) if equipment is repossessed and sold, the City would be liable for any deficiency.

Note 12 – Defined Benefit Pension Plans

Net Pension Liability/Net OPEB Liability

The net pension liability and net OPEB liability reported on the statement of net position represents a liability to employees for pensions and OPEB. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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 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 and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net

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pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See note 13 for the required OPEB disclosures.

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 comprehensive annual financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

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.

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Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the consumer price index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
<i>Statutory Maximum Contribution Rates</i>	
Employer	14.0 %
Employee	10.0 %
<i>Actual Contribution Rates</i>	
Employer:	
Pension	14.0 %
Post-Employment Health Care Benefits	<u>0.0</u>
Total Employer	<u><u>14.0 %</u></u>
Employee	<u><u>10.0 %</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,143,266 for 2020. Of this amount, \$128,352 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. That 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.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F 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 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 (see OP&F comprehensive annual financial report referenced above for additional information, including requirements for deferred retirement option plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F 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, surviving beneficiaries, and statutory survivors. 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, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

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	Police	Firefighters
<i>Statutory Maximum Contribution Rates</i>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<i>Actual Contribution Rates</i>		
Employer:		
Pension	19.00 %	23.50 %
Post-Employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,366,775 for 2020. Of this amount, \$144,774 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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:

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.057674%	0.281998%	
Prior Measurement Date	0.058345%	0.277867%	
Change in Proportionate Share	-0.000671%	0.004131%	
Proportionate Share of the:			
Net Pension Liability	\$11,399,658	\$18,996,892	\$30,396,550
Pension Expense	\$1,970,824	\$2,531,317	\$4,502,141

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$719,092	\$719,092
Changes of assumptions	608,868	466,326	1,075,194
Changes in proportion and differences between City contributions and proportionate share of contributions	120,211	682,783	802,994
City contributions subsequent to the measurement date	1,143,266	1,366,775	2,510,041
Total Deferred Outflows of Resources	<u>\$1,872,345</u>	<u>\$3,234,976</u>	<u>\$5,107,321</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$144,134	\$979,747	\$1,123,881
Net difference between projected and actual earnings on pension plan investments	2,273,976	917,702	3,191,678
Changes in proportion and differences between City contributions and proportionate share of contributions	76,655	157,838	234,493
Total Deferred Inflows of Resources	<u>\$2,494,765</u>	<u>\$2,055,287</u>	<u>\$4,550,052</u>

\$2,510,041 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	(\$205,967)	(\$53,444)	(\$259,411)
2022	(750,954)	151,241	(599,713)
2023	94,163	539,049	633,212
2024	(902,928)	(759,768)	(1,662,696)
2025	0	(64,164)	(64,164)
Total	<u>(\$1,765,686)</u>	<u>(\$187,086)</u>	<u>(\$1,952,772)</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, 2019, 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, 2019, are presented below.

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Wage Inflation	3.25 percent
Future Salary Increases	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre-1/7/2013 retirees:	3 percent, simple
Post-1/7/2013 retirees:	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

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.

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

During 2019, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio, and the defined contribution portfolio. The defined benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and 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 investment expenses and adjusted for the changing amounts actually invested, for the defined benefit portfolio was 17.2 percent for 2019.

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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate – The discount rate used to measure the total pension liability was 7.2 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 contractually required rates, as actuarially determined. 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's proportionate share of the net pension liability	\$18,801,724	\$11,399,658	\$4,745,417

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’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 the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below:

City of Chillicothe
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Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
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	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases 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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 to 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 Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 to 69	60%	45%
70 to 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 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 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 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 OP&F's target asset allocation as of December 31, 2019, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income*	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
US Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
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 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.

Discount Rate – The total pension liability was calculated using the discount rate of 8.00 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 of 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.

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$26,329,031	\$18,996,892	\$12,864,284

Note 13 – Defined Benefit OPEB Plans

See note 12 for a description of the net OPEB liability.

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 with a minimum age of 60 or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement 75. See OPERS' comprehensive annual financial report 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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, 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. For 2020, OPERS did not allocate any employer contribution to health care for members of the traditional pension plan or combined plan. 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 2019 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 2020.

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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an other postemployment benefit (OPEB) as described in Governmental 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.opf.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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, 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 the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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 \$31,993 for 2020. 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, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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.

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Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.057012%	0.281998%	
Prior Measurement Date	0.057734%	0.277867%	
Change in Proportionate Share	-0.000722%	0.004131%	
Proportionate Share of the:			
Net OPEB Liability	\$7,874,838	\$2,785,500	\$10,660,338
OPEB Expense	\$919,041	\$382,313	\$1,301,354

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$211	\$0	\$211
Changes of assumptions	1,246,503	1,628,441	2,874,944
Changes in proportion and differences between City contributions and proportionate share of contributions	44,991	337,227	382,218
City contributions subsequent to the measurement date	0	31,993	31,993
Total Deferred Outflows of Resources	\$1,291,705	\$1,997,661	\$3,289,366
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$720,190	\$299,557	\$1,019,747
Changes of assumptions	0	593,634	593,634
Net difference between projected and actual earnings on OPEB plan investments	400,985	128,177	529,162
Changes in proportion and differences between City contributions and proportionate share of contributions	46,443	35,097	81,540
Total Deferred Inflows of Resources	\$1,167,618	\$1,056,465	\$2,224,083

\$31,993 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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	OPERS	OP&F	Total
Year Ending December 31:			
2021	\$222,919	\$167,488	\$390,407
2022	72,195	167,489	239,684
2023	319	193,777	194,096
2024	(171,346)	152,326	(19,020)
2025	0	161,795	161,795
Thereafter	0	66,328	66,328
Total	\$124,087	\$909,203	\$1,033,290

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 health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) 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, 2018, rolled forward to the measurement date of December 31, 2019. 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:

Wage Inflation	3.25 percent
Future Salary Increases	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.71 percent
Health Care Cost Trend Rate:	
Current Measurement Date	10.00 percent, initial, 3.5 percent, ultimate in 2030
Prior Measurement Date	7.25 percent, initial, 3.25 percent, ultimate in 2029
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

City of Chillicothe
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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.

During 2019, 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. 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 was 19.7 percent for 2019.

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. 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

Discount Rate – A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 6.00 percent and a municipal bond rate of 2.75 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.

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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 3.16 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 (2.16 percent) or one percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$10,305,489	\$7,874,838	\$5,928,678

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.

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 2020 is 10.5 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 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$7,642,459	\$7,874,838	\$8,104,256

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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.

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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.

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
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	3.25 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 to 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 Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 to 69	60%	45%
70 to 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 OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see note 12.

City of Chillicothe
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Discount Rate – For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 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 of 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 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 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 – 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 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$3,453,841	\$2,785,500	\$2,230,156

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate – The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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.

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.

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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 2020 tax collections were based follows:

Property Tax Classification	Assessed Value
Real Property	\$424,684,890
Public Utility Property	35,919,580
Total	<u>\$460,604,470</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, 1.60 mills, and 0.60 mills, the City has levied .30 and .30 mills of non-voted millage for the police pension and fire pension levies respectively.

In 2020, real property taxes were levied on January 1, 2020, on assessed values as of January 1, 2019, the lien date. Real estate taxes were due and payable on February 14 and July 10, 2020.

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, 2020.

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.

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 Ohio Revised Code (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 taxpayer enter into an agreement specifying all of the conditions of the credit prior to passage of the ordinance granting the credit.

City of Chillicothe
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The City currently has a Job Creation Tax Credit agreement with two local businesses (taxpayers). 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 taxpayers.

A summary of the taxes foregone on the City's abatement program for the year ended December 31, 2020 follows:

Program	Tax Abated	Amount
Job Creation Tax Credit Program	Income Tax	\$5,025

Note 17 – Municipal Income Taxes

The City levies an income tax of 2.0 percent 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 percent general tax imposed without authority of an election; a 0.1 percent tax approved by voters in 1981 for the bus transit fund; a 0.4 percent tax approved by voters in 1984 for the police and fire departments, with 0.1 percent being reserved for capital outlay; a 0.1 percent tax approved by voters in 1993 for the parks and recreation fund, with 0.025 percent being reserved for capital outlay; and a 0.4 percent tax approved by voters in 2015, of which 0.2 percent was for street improvements and 0.2 percent 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 2020, these municipal income taxes generated a combined total of \$15,782,117 in local income tax revenue.

Note 18 – Interfund Activity

As of December 31, 2020, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
<i>Major Governmental Fund:</i>		
General Fund	\$250,000	\$0
<i>Nonmajor Governmental Fund:</i>		
Parks and Recreation Capital Fund	0	250,000
<i>Total</i>	<u>\$250,000</u>	<u>\$250,000</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.

City of Chillicothe
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A summary of interfund transfers for 2020 are as follows:

	Transfers In	Transfers Out
Governmental Activities		
<i>Major Governmental Fund:</i>		
General Fund	\$0	\$1,405,665
<i>Nonmajor Governmental Funds:</i>		
HUD Fund	10,000	0
Parking Fund	226,282	0
Police Pension Fund	456,383	0
Fire Pension Fund	683,000	0
<i>Total Governmental Funds</i>	1,375,665	0
Sewer Fund	30,000	0
<i>Total All Funds</i>	<u>\$1,405,665</u>	<u>\$1,405,665</u>

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

In 2020, the City made transfers of \$1,405,665 from the general fund to various nonmajor special revenue 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.

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- The City shall pay 100 percent of the costs of repairing, maintaining, and replacing interior decorations within the City offices and 50 percent of the costs relative to interior decorations in the common offices of the Law Complex.
- The City shall pay 50 percent of the costs of repairing, maintaining, and replacing telephone equipment in the common offices of the Law Complex.
- The City shall pay 18.47 percent of gas, electric, water, sewer, and solid waste disposal utilities and 50 percent of janitorial services.
- The City has no percentage interest in the jail area of the facility; rather, the City is billed on a per diem basis by Ross County for the housing of its prisoners.

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

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

Note 20 – Significant Commitments

Contracts

The City had the following significant contract outstanding at December 31, 2020.

Project	Contractor	Contract Amount	Payments Through 12/31/20	Contract Remaining at 12/31/20
WWTP Improvements-Engineering	Strand Associates	\$1,645,500	\$836,204	\$809,296

Encumbrances

As of December 31, 2020, the City had encumbrance commitments in the governmental funds as follows:

Major Funds:

General	\$47,067
Bus Transit	5,951

Nonmajor Fund:

Safety Levy Capital	<u>227,594</u>
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<i>Total</i>	<u>\$280,612</u>
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City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 21 – Fund Balances

As of December 31, 2020 fund balances are composed of the following:

	General	Street Construction	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>					
Prepaid Items	\$311,796	\$9,420	\$120,400	\$29,488	\$471,104
Materials and Supplies	51,365	9,963	16,851	737	78,916
Unclaimed Monies	118,451	0	0	0	118,451
Carlisle Hill Trust	0	0	0	1,000	1,000
<i>Total Nonspendable</i>	<u>481,612</u>	<u>19,383</u>	<u>137,251</u>	<u>31,225</u>	<u>669,471</u>
<i>Restricted:</i>					
Bus Transit	0	0	1,708,993	0	1,708,993
Street Construction	0	2,436,132	0	0	2,436,132
State Highway	0	0	0	122,177	122,177
Parks and Recreation	0	0	0	260,777	260,777
HUD	0	0	0	20,092	20,092
State Grants	0	0	0	93,127	93,127
Law Enforcement	0	0	0	44,101	44,101
Indigent Drivers	0	0	0	285,969	285,969
OMVI	0	0	0	24,557	24,557
Mandatory Drug Fines	0	0	0	9,313	9,313
Parking	0	0	0	107,820	107,820
Police Pension	0	0	0	2,852	2,852
CARES Act Relief	0	0	0	156,126	156,126
Fire Pension	0	0	0	5,888	5,888
Bond Retirement	0	0	0	228,332	228,332
Capital Improvement	0	0	0	32,000	32,000
Safety Levy Capital	0	0	0	850,350	850,350
Parks and Rec Capital	0	0	0	200,565	200,565
Carlisle Hill Trust	0	0	0	2,370	2,370
<i>Total Restricted</i>	<u>0</u>	<u>2,436,132</u>	<u>1,708,993</u>	<u>2,446,416</u>	<u>6,591,541</u>
<i>Committed:</i>					
Floodwall	42,284	0	0	0	42,284
Streetscape	24,465	0	0	0	24,465
<i>Total Committed</i>	<u>66,749</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,749</u>
<i>Assigned:</i>					
Landfill Closure	8,777	0	0	0	8,777
Future Purchases for General Government Purposes	41,257	0	0	0	41,257
Cablevision	0	0	0	5,765	5,765
<i>Total Assigned</i>	<u>50,034</u>	<u>0</u>	<u>0</u>	<u>5,765</u>	<u>55,799</u>
<i>Unassigned</i>	<u>5,060,523</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,060,523</u>
Total Balances	<u>\$5,658,918</u>	<u>\$2,455,515</u>	<u>\$1,846,244</u>	<u>\$2,483,406</u>	<u>\$12,444,083</u>

Note 22 – Landfill Closure and Postclosure 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 2020, the City incurred \$61,338 in post closure care costs and decreased its postclosure care liability by \$49,832, which is a change in estimate. To this date, the City has incurred approximately \$2,694,803 in closure and postclosure care costs. These costs have been incurred by the landfill closure fund.

The City reduced its liability for landfill post-closure care costs to \$0. The liability was based on an average of cumulative postclosure care costs to this date projected over the next year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability have been provided by the general fund.

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.

General liability insurance is maintained in the amount of \$3,000,000 for each occurrence. Other liability insurance includes \$3,000,000 for law enforcement professional liability, \$3,000,000 for public official errors and omissions liability, \$3,000,000 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 \$78,992,523. Other property insurance includes \$348,250 unscheduled and \$3,214,060 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$78,992,523. Insurance deductibles on any of the above coverage do not exceed \$10,000.

Cyber breach coverage insurance is maintained in the amount of \$1,000,000 for each occurrence. Comprehensive cyber liability insurance is carried in the amount of \$3,000,000.

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, parks 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

Grants

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.

Litigation

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

Note 25 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the City received CARES Act funding. Of the amounts received, \$732,340 was sub-granted to other governments and organizations. These amounts are reflected as community environment expenditures in the COVID 19 grant funds special revenue fund on the accompanying financial statements.

Note 26 – New Accounting Pronouncements/Restatement of Beginning Balances

For the year ended December 31, 2020, the City was required to implement Governmental Accounting Standards Board Statements No. 83, "Certain Asset Retirement Obligations," No. 84, "Fiduciary Activities," No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements," and No. 90, "Majority Equity Interests."

GASB Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The guidance also identifies the circumstances that trigger recognition of these transactions.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position. Statement No. 84 also describes four fiduciary funds that should be reported, if applicable: pension/employee benefit trust funds; investment trust funds; private purpose trust funds; and custodial funds with fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 88, among other things, clarifies which liabilities governments should include in their note disclosures related to debt. Statement No. 88 requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. Statement No. 88 defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Statement No. 88 also requires governments to disclose additional essential debt-related information for all types of debt, including: amounts of unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant: (a) events of default with finance-related consequences, (b) termination events with finance-related consequences, and (c) subjective acceleration clauses.

GASB Statement No. 90 clarifies the accounting and financial reporting requirements for a state or local government's majority equity interest in an organization that remains legally separate after acquisition. Under Statement No. 90, a government entity should report its majority equity interest in a legally separate organization as an investment if that equity interest meets the GASB's definition of an investment. For a majority equity interest in a legally separate entity that does not meet the definition of an investment, Statement No. 90 requires a government to report the legally separate entity as a component unit. Statement No. 90 also establishes guidance for remeasuring assets and liabilities of wholly acquired governmental organizations that remain legally separate. That guidance brings the reporting of those acquisitions in line now with existing standards that apply to acquisitions that do not remain legally separate.

For 2020, the City also implemented the Governmental Accounting Standards Board's (GASB) Implementation Guides No. 2018-1 and 2019-2. These changes were incorporated in the City's 2020 financial statements; however, there was no effect on beginning net position/fund balance.

Changes in financial statement presentation and note disclosures have been incorporated with the implementation of GASB Statement No. 84. Beginning net position has also been restated, as discussed below. Changes in note disclosures have been incorporated with the implementation of GASB Statement No. 88. None of the other aforementioned statements had an impact on the City's previously reported net position or fund balances or note disclosures.

Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and determined that each will now be presented as the new fiduciary fund classification of custodial fund. The City did not have any funds that were required to be reclassified to another fund type. In addition, errors were noted in previously reported net position due to errors identified in infrastructure records. Restatements were proposed to correct these errors. These reclassifications and restatements had the following effect on beginning net position for governmental activities and custodial funds. Lastly, the City decided to allocate balances earmarked for income tax refunds back to the funds that receive income taxes. That reallocation had the following effect on beginning fund balances.

	Governmental	
	Activities	Custodial
Net Position, As Reported, December 31, 2019	\$3,892,574	\$0
GASB Statement No. 84	0	38,056
Restatement for Infrastructure	8,704,324	0
Net Position, As Restated, January 1, 2020	<u>\$12,596,898</u>	<u>\$38,056</u>

	General	Street Construction Maintenance and Repair	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance, As Reported, December 31, 2019	\$5,085,974	\$1,991,065	\$530,636	\$2,358,233	\$9,965,908
Reallocation of Cash Set Aside for Income Taxes	(19,348)	7,739	3,870	7,739	0
Fund Balance, As Restated, January 1, 2020	<u>\$5,066,626</u>	<u>\$1,998,804</u>	<u>\$534,506</u>	<u>\$2,365,972</u>	<u>\$9,965,908</u>

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City of Chillicothe
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Seven Years (1)

	2014	2015
<i>Ohio Public Employees Retirement System</i>		
City's proportion of the net pension liability	0.0550140%	0.0550140%
City's proportionate share of the net pension liability	\$6,485,434	\$6,635,303
City's covered-employee payroll	\$8,434,393	\$7,645,907
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	76.89%	86.78%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%
<i>Ohio Police and Fire Pension Fund - Police</i>		
City's proportion of the net pension liability	0.1170453%	0.1170453%
City's proportionate share of the net pension liability	\$5,700,473	\$6,063,435
City's covered-employee payroll	\$2,799,656	\$2,454,862
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	203.61%	247.00%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%
<i>Ohio Police and Fire Pension Fund - Fire</i>		
City's proportion of the net pension liability	0.1567050%	0.1567050%
City's proportionate share of the net pension liability	\$7,632,025	\$8,117,972
City's covered-employee payroll	\$2,704,075	\$2,511,146
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	282.24%	323.28%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

The amounts presented for each year were determined as of December 31 of the previous year, which is the City's measurement date.

(1) Information not available prior to 2014.

See accompanying notes to the required supplementary information.

2016	2017	2018	2019	2020
0.0571880%	0.0567200%	0.0571490%	0.0583450%	0.0576740%
\$9,905,683	\$12,880,147	\$8,965,570	\$15,979,513	\$11,399,658
\$7,379,121	\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257
134.24%	173.59%	112.30%	188.78%	132.44%
81.08%	77.25%	84.66%	74.70%	82.17%
0.1160740%	0.1203590%	0.1232690%	0.1248110%	0.1291656%
\$7,467,091	\$7,623,417	\$7,565,604	\$10,187,876	\$8,701,285
\$2,544,267	\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462
293.49%	273.84%	252.69%	325.48%	263.48%
66.77%	68.36%	70.91%	63.07%	69.89%
0.1448150%	0.1476240%	0.1519330%	0.1530560%	0.1528324%
\$9,316,063	\$9,350,346	\$9,324,792	\$12,493,414	\$10,295,608
\$2,583,333	\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146
360.62%	338.39%	311.12%	399.80%	315.42%
66.77%	68.36%	70.91%	63.07%	69.89%

City of Chillicothe
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Last Four Years (1)

	2017	2018	2019	2020
Ohio Public Employees Retirement System				
City's proportion of the net OPEB liability	0.0558135%	0.0561900%	0.0577340%	0.0570120%
City's proportionate share of the net OPEB liability	\$5,637,353	\$6,101,820	\$7,527,151	\$7,874,838
City's covered-employee payroll	\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	75.98%	76.43%	88.93%	91.49%
Plan fiduciary net position as a percentage of the total OPEB	54.05%	54.14%	46.33%	47.80%
Ohio Police and Fire Pension Fund - Police				
City's proportion of the net OPEB liability	0.1203590%	0.1232690%	0.1248110%	0.1291656%
City's proportionate share of the net OPEB liability	\$5,713,171	\$6,984,277	\$1,136,596	\$1,275,863
City's covered-employee payroll	\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	205.22%	233.27%	36.31%	38.63%
Plan fiduciary net position as a percentage of the total OPEB	15.96%	14.13%	14.13%	41.62%
Ohio Police and Fire Pension Fund - Fire				
City's proportion of the net OPEB liability	0.1476240%	0.1519330%	0.1530560%	0.1528324%
City's proportionate share of the net OPEB liability	\$7,007,379	\$8,608,294	\$1,393,810	\$1,509,637
City's covered-employee payroll	\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	253.60%	287.22%	44.60%	46.25%
Plan fiduciary net position as a percentage of the total OPEB	15.96%	14.13%	14.13%	41.62%

The amounts presented for each year were determined as of December 31 of the previous year, which is the City's measurement date.

(1) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

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City of Chillicothe
Required Supplementary Information
Schedule of the City's Contributions
Last Ten Years

	2011	2012	2013
<i>Ohio Public Employees Retirement System</i>			
Contractually required contribution - pension	\$726,806	\$837,949	\$1,096,471
Contractually required contribution - OPEB	290,723	335,179	84,344
Contractually required contribution - total	1,017,529	1,173,128	1,180,815
Contributions in relation to the contractually required contribution	1,017,529	1,173,128	1,180,815
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered-employee payroll	\$7,268,064	\$8,379,486	\$8,434,393
Contributions as a percentage of covered-employee payroll - pension	10.00%	10.00%	13.00%
Contributions as a percentage of covered-employee payroll - OPEB	4.00%	4.00%	1.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%
<i>Ohio Police and Fire Pension Fund - Police</i>			
Contractually required contribution - pension	\$352,043	\$349,232	\$448,435
Contractually required contribution - OPEB	186,375	184,887	97,498
Contractually required contribution - total	538,418	534,119	545,933
Contributions in relation to the contractually required contribution	538,418	534,119	545,933
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered-employee payroll	\$2,761,118	\$2,739,072	\$2,799,656
Contributions as a percentage of covered-employee payroll - pension	12.75%	12.75%	15.88%
Contributions as a percentage of covered-employee payroll - OPEB	6.75%	6.75%	3.62%
Contributions as a percentage of covered-employee payroll - total	19.50%	19.50%	19.50%
<i>Ohio Police and Fire Pension Fund - Fire</i>			
Contractually required contribution - pension	\$463,333	\$459,633	\$554,133
Contractually required contribution - OPEB	181,304	179,856	94,845
Contractually required contribution - total	644,637	639,489	648,978
Contributions in relation to the contractually required contribution	644,637	639,489	648,978
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered-employee payroll	\$2,685,988	\$2,664,538	\$2,704,075
Contributions as a percentage of covered-employee payroll - pension	17.25%	17.25%	20.38%
Contributions as a percentage of covered-employee payroll - OPEB	6.75%	6.75%	3.62%
Contributions as a percentage of covered-employee payroll - total	24.00%	24.00%	24.00%

See accompanying notes to the required supplementary information.

2014	2015	2016	2017	2018	2019	2020
\$917,509	\$885,495	\$890,400	\$1,037,868	\$1,185,030	\$1,205,016	\$1,143,266
152,918	147,582	148,400	79,836	0	0	0
1,070,427	1,033,077	1,038,800	1,117,704	1,185,030	1,205,016	1,143,266
1,070,427	1,033,077	1,038,800	1,117,704	1,185,030	1,205,016	1,143,266
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$7,645,907	\$7,379,121	\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186
12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%
2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$466,424	\$483,411	\$528,938	\$568,869	\$594,719	\$627,468	\$577,849
12,274	12,721	13,919	14,970	15,651	16,512	15,207
478,698	496,132	542,857	583,839	610,370	643,980	593,056
478,698	496,132	542,857	583,839	610,370	643,980	593,056
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,454,862	\$2,544,267	\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
19.50%	19.50%	19.50%	19.50%	19.50%	19.50%	19.50%
\$590,119	\$607,083	\$649,347	\$704,329	\$734,363	\$767,074	\$788,926
12,556	12,917	13,816	14,986	15,625	16,321	16,786
602,675	620,000	663,163	719,315	749,988	783,395	805,712
602,675	620,000	663,163	719,315	749,988	783,395	805,712
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,511,146	\$2,583,333	\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Note 1 – Ohio Public Employees Retirement System

Pension

Changes in Assumptions

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-1/7/2013 retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-1/7/2013 retirees	See below	See below	See below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

OPEB

Changes in Assumptions

<i>Investment Return Assumption:</i>	
Beginning in 2019	6 percent
2018	6.5 percent
<i>Municipal Bond Rate:</i>	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
<i>Single Discount Rate:</i>	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
<i>Health Care Cost Trend Rate:</i>	
2020	10 percent, initial 3.5 percent, ultimate in 2030
2019	10 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Note 2 – Ohio Police and Fire Pension Fund

Pension

Changes in Assumptions

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	Beginning in 2018	2017 and Prior
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 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 percent simple; 2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increase based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use 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 Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

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

Amounts reported beginning in 2018 use 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 Buck/Conduent Modified 2016 Improvement Scale.

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

Amounts reported for 2017 and prior use valuation, rates of death were 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.

OPEB

Changes in Assumptions

Single Discount Rate:

2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

City of Chillicothe, Ohio
Governmental Fund Descriptions

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 parks and recreation purposes. The parks 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% of fines (under 4511.191(M) of the Revised Code) that are collected by Municipal Court from DUI offenders.

OMVI Enforcement & Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

City of Chillicothe, Ohio
Governmental Fund Descriptions (Continued)

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.

COVID-19 Grant

To account for and report restricted federal monies used to assist local governments and other organizations with the COVID-19 pandemic.

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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. This fund did not receive or expend any funds for the year, so a balance sheet and statement of revenues, expenditures, and changes in fund balance are not presented.

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 Fund Descriptions (Continued)

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

General Fund

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.

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.

Postage Rotary

To account for postage usage used by various departments within the City.

City of Chillicothe
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2020

	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	\$1,127,103	\$228,332	\$1,251,143	\$2,370	\$2,608,948
Cash and Cash Equivalents in Segregated Accounts	849	0	0	0	849
Investments	0	0	0	1,000	1,000
Materials and Supplies Inventory	737	0	0	0	737
Interfund Receivable	60,000	0	0	0	60,000
Intergovernmental Receivable	152,538	0	0	0	152,538
Prepaid Items	13,327	0	16,161	0	29,488
Income Taxes Receivable	110,562	0	184,269	0	294,831
Property Taxes Receivable	270,658	0	0	0	270,658
<i>Total Assets</i>	<u>\$1,735,774</u>	<u>\$228,332</u>	<u>\$1,451,573</u>	<u>\$3,370</u>	<u>\$3,419,049</u>
Liabilities:					
Accounts Payable	\$11,018	\$0	\$12,538	\$0	\$23,556
Accrued Wages and Benefits Payable	15,108	0	0	0	15,108
Intergovernmental Payable	105,994	0	0	0	105,994
Interfund Payable	0	0	250,000	0	250,000
<i>Total Liabilities</i>	<u>132,120</u>	<u>0</u>	<u>262,538</u>	<u>0</u>	<u>394,658</u>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year Operations	246,438	0	0	0	246,438
<i>Unavailable Revenue:</i>					
Property Taxes	18,830	0	0	0	18,830
Income Taxes	53,976	0	89,959	0	143,935
Grants and Entitlements	131,782	0	0	0	131,782
<i>Total Unavailable Revenue</i>	<u>204,588</u>	<u>0</u>	<u>89,959</u>	<u>0</u>	<u>294,547</u>
<i>Total Deferred Inflows of Resources</i>	<u>451,026</u>	<u>0</u>	<u>89,959</u>	<u>0</u>	<u>540,985</u>
Fund Balances:					
Nonspendable	14,064	0	16,161	1,000	31,225
Restricted	1,132,799	228,332	1,082,915	2,370	2,446,416
Assigned	5,765	0	0	0	5,765
<i>Total Fund Balances</i>	<u>1,152,628</u>	<u>228,332</u>	<u>1,099,076</u>	<u>3,370</u>	<u>2,483,406</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$1,735,774</u>	<u>\$228,332</u>	<u>\$1,451,573</u>	<u>\$3,370</u>	<u>\$3,419,049</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$251,672	\$0	\$0	\$0	\$251,672
Income Taxes	592,037	0	986,726	0	1,578,763
Charges for Services	25,982	0	0	0	25,982
Fines, Licenses, and Permits	28,352	0	0	0	28,352
Intergovernmental	2,117,692	0	0	0	2,117,692
Interest	25	0	38	15	78
Other	77,474	0	26	0	77,500
<i>Total Revenues</i>	<i>3,093,234</i>	<i>0</i>	<i>986,790</i>	<i>15</i>	<i>4,080,039</i>
Expenditures:					
Current:					
General Government	320,933	0	0	0	320,933
<i>Security of Persons and Property:</i>					
Police	642,471	0	11,305	0	653,776
Fire	947,297	0	8,177	0	955,474
Leisure Time Services	597,380	0	89,647	0	687,027
Community Environment	756,013	0	0	0	756,013
Basic Utility Services	24,033	0	0	0	24,033
Transportation	361,687	0	0	0	361,687
Capital Outlay	727,702	0	334,046	0	1,061,748
Debt Service:					
Principal Retirement	187,823	0	486,509	0	674,332
Interest and Fiscal Charges	9,080	4,310	58,304	0	71,694
Issuance Costs	889	0	898	0	1,787
<i>Total Expenditures</i>	<i>4,575,308</i>	<i>4,310</i>	<i>988,886</i>	<i>0</i>	<i>5,568,504</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,482,074)</i>	<i>(4,310)</i>	<i>(2,096)</i>	<i>15</i>	<i>(1,488,465)</i>
Other Financing Sources					
Transfers In	1,375,665	0	0	0	1,375,665
Refunding Bonds Issued	135,000	0	85,000	0	220,000
Premium on Debt Issued	7,535	0	2,173	0	9,708
Proceeds from Sale of Capital Assets	526	0	0	0	526
<i>Total Other Financing Sources</i>	<i>1,518,726</i>	<i>0</i>	<i>87,173</i>	<i>0</i>	<i>1,605,899</i>
<i>Net Change in Fund Balances</i>	<i>36,652</i>	<i>(4,310)</i>	<i>85,077</i>	<i>15</i>	<i>117,434</i>
<i>Fund Balances at Beginning of Year-Restated</i>	<i>1,115,976</i>	<i>232,642</i>	<i>1,013,999</i>	<i>3,355</i>	<i>2,365,972</i>
<i>Fund Balances at End of Year</i>	<i>\$1,152,628</i>	<i>\$228,332</i>	<i>\$1,099,076</i>	<i>\$3,370</i>	<i>\$2,483,406</i>

City of Chillicothe
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2020

	State Highway	Parks and Recreation	HUD	Grants	Cablevision
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$105,647	\$231,747	\$20,092	\$89,816	\$5,765
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	49,590	711	0	86,668	0
Prepaid Items	0	10,711	0	0	0
Income Taxes Receivable	0	110,562	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<i>\$155,237</i>	<i>\$353,731</i>	<i>\$20,092</i>	<i>\$176,484</i>	<i>\$5,765</i>
Liabilities:					
Accounts Payable	\$0	\$10,442	\$0	\$0	\$0
Accrued Wages and Benefits Payable	0	12,261	0	0	0
Intergovernmental Payable	0	5,564	0	0	0
<i>Total Liabilities</i>	<i>0</i>	<i>28,267</i>	<i>0</i>	<i>0</i>	<i>0</i>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year Operations	0	0	0	0	0
<i>Unavailable Revenue:</i>					
Property Taxes	0	0	0	0	0
Income Taxes	0	53,976	0	0	0
Grants and Entitlements	33,060	0	0	83,357	0
<i>Total Unavailable Revenue</i>	<i>33,060</i>	<i>53,976</i>	<i>0</i>	<i>83,357</i>	<i>0</i>
<i>Total Deferred Inflows of Resources</i>	<i>33,060</i>	<i>53,976</i>	<i>0</i>	<i>83,357</i>	<i>0</i>
Fund Balances:					
Nonspendable	0	10,711	0	0	0
Restricted	122,177	260,777	20,092	93,127	0
Assigned	0	0	0	0	5,765
<i>Total Fund Balances</i>	<i>122,177</i>	<i>271,488</i>	<i>20,092</i>	<i>93,127</i>	<i>5,765</i>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<i>\$155,237</i>	<i>\$353,731</i>	<i>\$20,092</i>	<i>\$176,484</i>	<i>\$5,765</i>

Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	COVID-19 Grant	Total Nonmajor Special Revenue Funds
\$44,101	\$285,179	\$24,518	\$9,293	\$112,387	\$30,755	\$11,677	\$156,126	\$1,127,103
0	790	39	20	0	0	0	0	849
0	0	0	0	737	0	0	0	737
0	0	0	0	0	10,000	50,000	0	60,000
471	0	0	0	204	7,447	7,447	0	152,538
789	0	0	0	1,827	0	0	0	13,327
0	0	0	0	0	0	0	0	110,562
0	0	0	0	0	135,329	135,329	0	270,658
\$45,361	\$285,969	\$24,557	\$9,313	\$115,155	\$183,531	\$204,453	\$156,126	\$1,735,774
\$0	\$0	\$0	\$0	\$576	\$0	\$0	\$0	\$11,018
0	0	0	0	2,847	0	0	0	15,108
0	0	0	0	1,348	40,598	58,484	0	105,994
0	0	0	0	4,771	40,598	58,484	0	132,120
0	0	0	0	0	123,219	123,219	0	246,438
0	0	0	0	0	9,415	9,415	0	18,830
0	0	0	0	0	0	0	0	53,976
471	0	0	0	0	7,447	7,447	0	131,782
471	0	0	0	0	16,862	16,862	0	204,588
471	0	0	0	0	140,081	140,081	0	451,026
789	0	0	0	2,564	0	0	0	14,064
44,101	285,969	24,557	9,313	107,820	2,852	5,888	156,126	1,132,799
0	0	0	0	0	0	0	0	5,765
44,890	285,969	24,557	9,313	110,384	2,852	5,888	156,126	1,152,628
\$45,361	\$285,969	\$24,557	\$9,313	\$115,155	\$183,531	\$204,453	\$156,126	\$1,735,774

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	State Highway	Parks and Recreation	HUD	Grants	Cablevision
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	592,037	0	0	0
Charges for Services	0	6,700	10,832	0	0
Fines, Licenses, and Permits	0	0	0	0	0
Intergovernmental	100,461	0	9,500	115,261	0
Interest	0	23	2	0	0
Other	0	50,468	0	0	0
<i>Total Revenues</i>	<i>100,461</i>	<i>649,228</i>	<i>20,334</i>	<i>115,261</i>	<i>0</i>
Expenditures:					
Current:					
General Government	0	0	0	50,724	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	69,144	0
Leisure Time Services	0	593,691	0	0	0
Community Environment	0	0	23,672	0	0
Basic Utility Services	0	0	0	0	0
Transportation	170,000	0	0	0	0
Capital Outlay	200,000	585	0	0	0
Debt Service:					
Principal Retirement	16,522	1,301	0	0	0
Interest and Fiscal Charges	3,610	188	0	0	0
Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<i>390,132</i>	<i>595,765</i>	<i>23,672</i>	<i>119,868</i>	<i>0</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(289,671)</i>	<i>53,463</i>	<i>(3,338)</i>	<i>(4,607)</i>	<i>0</i>
Other Financing Sources					
Transfers In	0	0	10,000	0	0
Refunding Bonds Issued	0	0	0	0	0
Premium on Debt Issued	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	526	0	0	0
<i>Total Other Financing Sources</i>	<i>0</i>	<i>526</i>	<i>10,000</i>	<i>0</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>(289,671)</i>	<i>53,989</i>	<i>6,662</i>	<i>(4,607)</i>	<i>0</i>
<i>Fund Balances at Beginning of Year-Restated</i>	<i>411,848</i>	<i>217,499</i>	<i>13,430</i>	<i>97,734</i>	<i>5,765</i>
<i>Fund Balances at End of Year</i>	<i>\$122,177</i>	<i>\$271,488</i>	<i>\$20,092</i>	<i>\$93,127</i>	<i>\$5,765</i>

Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	COVID-19 Grant	Totad Nonmajor Speciad Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$125,836	\$125,836	\$0	\$251,672
0	0	0	0	0	0	0	0	592,037
0	0	0	0	8,450	0	0	0	25,982
7,047	15,348	1,710	1,712	2,535	0	0	0	28,352
0	0	0	0	0	14,893	14,893	1,862,684	2,117,692
0	0	0	0	0	0	0	0	25
0	0	0	0	27,006	0	0	0	77,474
7,047	15,348	1,710	1,712	37,991	140,729	140,729	1,862,684	3,093,234
0	0	0	0	0	0	0	270,209	320,933
6,419	0	0	0	0	589,000	0	47,052	642,471
0	0	0	0	0	0	793,308	84,845	947,297
0	0	0	0	0	0	0	3,689	597,380
0	0	0	0	0	0	0	732,341	756,013
0	0	0	0	0	0	0	24,033	24,033
0	0	0	0	173,914	0	0	17,773	361,687
0	0	0	0	501	0	0	526,616	727,702
0	0	0	0	0	38,420	131,580	0	187,823
0	0	0	0	0	1,376	3,906	0	9,080
0	0	0	0	0	19	870	0	889
6,419	0	0	0	174,415	628,815	929,664	1,706,558	4,575,308
628	15,348	1,710	1,712	(136,424)	(488,086)	(788,935)	156,126	(1,482,074)
0	0	0	0	226,282	456,383	683,000	0	1,375,665
0	0	0	0	0	30,510	104,490	0	135,000
0	0	0	0	0	1,703	5,832	0	7,535
0	0	0	0	0	0	0	0	526
0	0	0	0	226,282	488,596	793,322	0	1,518,726
628	15,348	1,710	1,712	89,858	510	4,387	156,126	36,652
44,262	270,621	22,847	7,601	20,526	2,342	1,501	0	1,115,976
\$44,890	\$285,969	\$24,557	\$9,313	\$110,384	\$2,852	\$5,888	\$156,126	\$1,152,628

City of Chillicothe
Combining Balance Sheet
Nonmajor Capital Projects Funds
As of December 31, 2020

	Capital Improvement	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$32,000	\$783,155	\$435,988	\$1,251,143
Prepaid Items	0	16,161	0	16,161
Income Taxes Receivable	0	147,415	36,854	184,269
<i>Total Assets</i>	<u>\$32,000</u>	<u>\$946,731</u>	<u>\$472,842</u>	<u>\$1,451,573</u>
Liabilities:				
Accounts Payable	\$0	\$8,253	\$4,285	\$12,538
Interfund Payable	0	0	250,000	250,000
<i>Total Liabilities</i>	<u>0</u>	<u>8,253</u>	<u>254,285</u>	<u>262,538</u>
Deferred Inflows of Resources:				
<i>Unavailable Revenue:</i>				
Income Taxes	0	71,967	17,992	89,959
<i>Total Unavailable Revenue</i>	<u>0</u>	<u>71,967</u>	<u>17,992</u>	<u>89,959</u>
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>71,967</u>	<u>17,992</u>	<u>89,959</u>
Fund Balances:				
Nonspendable	0	16,161	0	16,161
Restricted	32,000	850,350	200,565	1,082,915
<i>Total Fund Balances</i>	<u>32,000</u>	<u>866,511</u>	<u>200,565</u>	<u>1,099,076</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$32,000</u>	<u>\$946,731</u>	<u>\$472,842</u>	<u>\$1,451,573</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

	Capital Improvement	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Revenues:				
Income Taxes	\$0	\$789,382	\$197,344	\$986,726
Interest	0	30	8	38
Other	0	26	0	26
<i>Total Revenues</i>	0	789,438	197,352	986,790
Expenditures:				
Current:				
<i>Security of Persons and Property:</i>				
Police	0	11,305	0	11,305
Fire	0	8,177	0	8,177
Leisure Time Services	0	0	89,647	89,647
Capital Outlay	0	83,537	250,509	334,046
Debt Service:				
Principal Retirement	0	469,509	17,000	486,509
Interest and Fiscal Charges	0	39,710	18,594	58,304
Issuance Costs	0	898	0	898
<i>Total Expenditures</i>	0	613,136	375,750	988,886
<i>Excess of Revenues Over (Under) Expenditures</i>	0	176,302	(178,398)	(2,096)
Other Financing Sources				
Refunding Bonds Issued	0	85,000	0	85,000
Premium on Debt Issued	0	2,173	0	2,173
<i>Total Other Financing Sources</i>	0	87,173	0	87,173
<i>Net Change in Fund Balances</i>	0	263,475	(178,398)	85,077
<i>Fund Balances at Beginning of Year-Restated</i>	32,000	603,036	378,963	1,013,999
<i>Fund Balances at End of Year</i>	\$32,000	\$866,511	\$200,565	\$1,099,076

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$972,000	\$1,076,353	\$1,021,655	(\$54,698)
Income Taxes	11,828,750	12,097,868	11,797,868	(300,000)
Other Local Taxes	375,000	294,357	294,357	0
Special Assessments	25,000	17,386	17,386	0
Charges for Services	3,626,984	3,401,423	3,394,762	(6,661)
Fines, Licenses, and Permits	1,666,800	1,332,549	1,331,854	(695)
Intergovernmental	989,365	1,109,590	1,109,590	0
Interest	222,000	4,654,942	194,794	(4,460,148)
Contributions and Donations	12,000	1,000	1,000	0
Other	902,690	1,882,574	1,310,623	(571,951)
<i>Total Revenues</i>	<i>20,620,589</i>	<i>25,868,042</i>	<i>20,473,889</i>	<i>(5,394,153)</i>
Expenditures:				
Current:				
General Government				
Mayor				
Personal Services	199,358	250,138	248,479	1,659
Fringe Benefits	160,152	147,275	129,756	17,519
Travel Transportation	2,000	155	154	1
Contractual Services	120,765	108,042	98,353	9,689
Materials and Supplies	3,760	6,410	5,354	1,056
Capital Outlay	0	23,100	0	23,100
Other	680	729	328	401
<i>Total Mayor</i>	<i>486,715</i>	<i>535,849</i>	<i>482,424</i>	<i>53,425</i>
IT Technology				
Personal Services	58,445	38,710	37,808	902
Fringe Benefits	39,134	39,634	27,073	12,561
Travel Transportation	1,000	1,000	0	1,000
Contractual Services	19,000	19,500	15,444	4,056
Materials and Supplies	3,100	2,600	400	2,200
Capital Outlay	1,500	13,074	0	13,074
<i>Total IT Technology</i>	<i>122,179</i>	<i>114,518</i>	<i>80,725</i>	<i>33,793</i>
City Council				
Personal Services	64,688	64,688	63,920	768
Fringe Benefits	307,880	137,333	120,522	16,811
Contractual Services	2,100	2,100	710	1,390
Materials and Supplies	1,305	1,305	450	855
Capital Outlay	2,500	47,500	0	47,500
<i>Total City Council</i>	<i>378,473</i>	<i>252,926</i>	<i>185,602</i>	<i>67,324</i>
Treasurer				
Personal Services	9,507	9,507	9,507	0
Fringe Benefits	38,591	38,591	33,515	5,076
Contractual Services	26,316	26,316	25,800	516
<i>Total Treasurer</i>	<i>74,414</i>	<i>74,414</i>	<i>68,822</i>	<i>5,592</i>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax Department				
Personal Services	\$109,622	\$97,591	\$97,583	\$8
Fringe Benefits	97,860	100,553	86,064	14,489
Travel Transportation	1,000	870	0	870
Contractual Services	37,125	37,113	31,808	5,305
Materials and Supplies	2,344	2,486	1,587	899
Capital Outlay	3,500	19,247	0	19,247
Other	1,050	1,050	129	921
<i>Total Income Tax Department</i>	<i>252,501</i>	<i>258,910</i>	<i>217,171</i>	<i>41,739</i>
Land and Buildings				
Contractual Services	144,177	203,239	201,901	1,338
Materials and Supplies	27,320	11,484	10,919	565
Capital Outlay	430,000	368,556	0	368,556
Other	26,516	0	0	0
<i>Total Land and Buildings</i>	<i>628,013</i>	<i>583,279</i>	<i>212,820</i>	<i>370,459</i>
Law Director				
Personal Services	392,934	377,989	376,830	1,159
Fringe Benefits	304,935	293,845	259,617	34,228
Contractual Services	39,113	50,772	44,349	6,423
Materials and Supplies	3,400	5,625	4,523	1,102
Capital Outlay	0	74,191	1,096	73,095
Other	550	52,265	51,877	388
<i>Total Law Director</i>	<i>740,932</i>	<i>854,687</i>	<i>738,292</i>	<i>116,395</i>
Auditor				
Personal Services	319,315	295,005	294,007	998
Fringe Benefits	215,038	197,067	171,913	25,154
Travel Transportation	2,500	2,357	0	2,357
Contractual Services	9,200	8,725	4,678	4,047
Materials and Supplies	3,600	1,804	888	916
Capital Outlay	5,267	44,403	0	44,403
Other	100	100	53	47
<i>Total Auditor</i>	<i>555,020</i>	<i>549,461</i>	<i>471,539</i>	<i>77,922</i>
Municipal Court				
Personal Services	1,111,906	1,143,504	1,091,951	51,553
Fringe Benefits	677,520	755,670	662,663	93,007
Travel Transportation	8,000	5,743	69	5,674
Contractual Services	362,695	236,520	59,577	176,943
Materials and Supplies	44,050	47,110	25,908	21,202
Capital Outlay	87,500	103,426	9,362	94,064
Other	6,000	5,911	642	5,269
<i>Total Municipal Court</i>	<i>2,297,671</i>	<i>2,297,884</i>	<i>1,850,172</i>	<i>447,712</i>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Victim Witness				
Personal Services	\$39,248	\$38,332	\$38,126	\$206
Fringe Benefits	6,740	6,600	6,516	84
<i>Total Victim Witness</i>	<u>45,988</u>	<u>44,932</u>	<u>44,642</u>	<u>290</u>
Civil Service				
Fringe Benefits	10	10	0	10
Travel Transportation	500	0	0	0
Contractual Services	20,185	31,212	30,701	511
Materials and Supplies	1,900	2,023	1,765	258
Capital Outlay	2,000	3,220	3,072	148
<i>Total Civil Service</i>	<u>24,595</u>	<u>36,465</u>	<u>35,538</u>	<u>927</u>
Service Department				
Personal Services	112,242	102,133	91,022	11,111
Fringe Benefits	76,101	74,848	64,409	10,439
Travel Transportation	100	0	0	0
Contractual Services	6,800	7,166	6,873	293
Materials and Supplies	650	289	287	2
Capital Outlay	0	287,982	0	287,982
Other	100	695	0	695
<i>Total Service Department</i>	<u>195,993</u>	<u>473,113</u>	<u>162,591</u>	<u>310,522</u>
Engineering				
Personal Services	277,914	173,341	162,087	11,254
Fringe Benefits	156,931	148,681	90,982	57,699
Travel Transportation	1,000	500	0	500
Contractual Services	32,218	32,700	15,595	17,105
Materials and Supplies	10,100	10,118	5,052	5,066
Capital Outlay	42,000	29,473	130	29,343
Other	100	100	0	100
<i>Total Engineering</i>	<u>520,263</u>	<u>394,913</u>	<u>273,846</u>	<u>121,067</u>
Code Enforcement				
Travel Transportation	500	500	0	500
Contractual Services	22,250	22,250	6,869	15,381
Materials and Supplies	1,300	1,300	29	1,271
Capital Outlay	5,200	5,200	0	5,200
Other	500	500	0	500
<i>Total Code Enforcement</i>	<u>29,750</u>	<u>29,750</u>	<u>6,898</u>	<u>22,852</u>
Civil Defense				
Other	6,350	6,350	6,350	0
<i>Total Civil Defense</i>	<u>6,350</u>	<u>6,350</u>	<u>6,350</u>	<u>0</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Miscellaneous				
Fringe Benefits	\$16,500	\$16,500	\$7,021	\$9,479
Travel Transportation	1,000	0	0	0
Contractual Services	714,802	631,629	563,981	67,648
Materials and Supplies	11,600	12,201	3,563	8,638
Other	37,500	3,033,291	18,655	3,014,636
<i>Total Miscellaneous</i>	781,402	3,693,621	593,220	3,100,401
Planning Commission				
Materials and Supplies	100	100	64	36
<i>Total Planning Commission</i>	100	100	64	36
<i>Total General Government</i>	7,140,359	10,201,172	5,430,716	4,770,456
<i>Security of Persons and Property</i>				
Police				
Personal Services	3,675,087	3,914,438	3,871,928	42,510
Fringe Benefits	1,894,073	1,707,515	1,499,739	207,776
Travel Transportation	1,000	0	0	0
Contractual Services	155,410	151,979	141,301	10,678
Materials and Supplies	128,200	134,798	98,679	36,119
Capital Outlay	0	0	0	0
Other	11,550	16,383	16,237	146
<i>Total Police</i>	5,865,320	5,925,113	5,627,884	297,229
Fire				
Personal Services	3,243,832	3,672,927	3,587,269	85,658
Fringe Benefits	1,671,500	1,547,461	1,372,495	174,966
Travel Transportation	1,000	880	569	311
Contractual Services	115,092	118,706	114,081	4,625
Materials and Supplies	216,350	215,771	198,709	17,062
Capital Outlay	0	624	624	0
Other	600	600	278	322
<i>Total Fire</i>	5,248,374	5,556,969	5,274,025	282,944
<i>Total Security of Persons and Property</i>	11,113,694	11,482,082	10,901,909	580,173
Basic Utility Services				
Refuse				
Personal Services	418,596	368,036	367,320	716
Fringe Benefits	273,399	280,013	244,035	35,978
Contractual Services	307,100	316,925	291,457	25,468
Materials and Supplies	37,200	37,376	32,651	4,725
Capital Outlay	172,000	2,000	0	2,000
Other	6,000	6,000	0	6,000
<i>Total Refuse</i>	1,214,295	1,010,350	935,463	74,887

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Recycling				
Personal Services	\$89,699	\$76,726	\$75,395	\$1,331
Fringe Benefits	85,186	83,668	80,387	3,281
Contractual Services	48,045	48,045	42,276	5,769
Materials and Supplies	9,500	9,500	6,319	3,181
Capital Outlay	500	0	0	0
Other	0	500	0	500
<i>Total Recycling</i>	<u>232,930</u>	<u>218,439</u>	<u>204,377</u>	<u>14,062</u>
<i>Total Basic Utility Services</i>	<u>1,447,225</u>	<u>1,228,789</u>	<u>1,139,840</u>	<u>88,949</u>
Transportation				
Streets and Sidewalks				
Contractual Services	328,000	332,000	323,996	8,004
Capital Outlay	5,000	5,000	0	5,000
<i>Total Streets and Sidewalks</i>	<u>333,000</u>	<u>337,000</u>	<u>323,996</u>	<u>13,004</u>
<i>Total Transportation</i>	<u>333,000</u>	<u>337,000</u>	<u>323,996</u>	<u>13,004</u>
Community Environment				
Design and Review				
Contractual Services	550	550	0	550
Materials and Supplies	25	25	0	25
Other	50	50	0	50
<i>Total Design and Review</i>	<u>625</u>	<u>625</u>	<u>0</u>	<u>625</u>
<i>Total Community Environment</i>	<u>625</u>	<u>625</u>	<u>0</u>	<u>625</u>
Capital Outlay:				
Capital Outlay	0	459,308	459,308	0
<i>Total Capital Outlay</i>	<u>0</u>	<u>459,308</u>	<u>459,308</u>	<u>0</u>
Debt Service:				
Principal Retirement	100,764	142,760	142,745	15
Interest and Fiscal Charges	71,892	56,851	55,989	862
<i>Total Debt Service</i>	<u>172,656</u>	<u>199,611</u>	<u>198,734</u>	<u>877</u>
<i>Total Expenditures</i>	<u>20,207,559</u>	<u>23,908,587</u>	<u>18,454,503</u>	<u>5,454,084</u>
<i>Excess of Revenues Over Expenditures</i>	<u>413,030</u>	<u>1,959,455</u>	<u>2,019,386</u>	<u>59,931</u>
Other Financing Sources (Uses)				
Transfers In	4,344,559	4,910,495	4,030,939	(879,556)
Proceeds from Sale of Capital Assets	0	15,300	15,300	0
Bonds Issued	610,000	0	0	0
Advances In	0	108,409	108,409	0
Transfers Out	(5,655,545)	(6,011,436)	(5,575,604)	435,832
Advances Out	0	(358,409)	(358,409)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(700,986)</u>	<u>(1,335,641)</u>	<u>(1,779,365)</u>	<u>(443,724)</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Net Change in Fund Balances</i>	(\$287,956)	\$623,814	\$240,021	(\$383,793)
<i>Fund Balances at Beginning of Year-Restated</i>	3,297,097	3,297,097	3,297,097	0
<i>Prior Year Encumbrances Appropriated</i>	114,491	114,491	114,491	0
<i>Fund Balances at End of Year</i>	\$3,123,632	\$4,035,402	\$3,651,609	(\$383,793)

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,577,500	\$1,610,663	\$1,560,663	(\$50,000)
Intergovernmental	1,385,000	1,257,751	1,257,751	0
Interest	0	60	60	0
Contributions and Donations	0	25,000	25,000	0
Other	27,941	94,869	73,669	(21,200)
<i>Total Revenues</i>	<u>2,990,441</u>	<u>2,988,343</u>	<u>2,917,143</u>	<u>(71,200)</u>
Expenditures:				
Current:				
Transportation				
Personal Services	555,681	545,681	335,821	209,860
Fringe Benefits	257,830	267,830	201,910	65,920
Contractual Services	270,779	172,489	150,921	21,568
Materials and Supplies	170,200	270,756	253,497	17,259
Capital Outlay	2,215,420	1,213,101	64,701	1,148,400
Other	300	300	0	300
<i>Total Transportation</i>	<u>3,470,210</u>	<u>2,470,157</u>	<u>1,006,850</u>	<u>1,463,307</u>
Capital Outlay:				
Capital Outlay	0	816,433	816,433	0
<i>Total Capital Outlay</i>	<u>0</u>	<u>816,433</u>	<u>816,433</u>	<u>0</u>
Debt Service:				
Principal Retirement	547,000	547,000	547,000	0
Interest and Fiscal Charges	96,366	96,366	95,504	862
<i>Total Debt Service</i>	<u>643,366</u>	<u>643,366</u>	<u>642,504</u>	<u>862</u>
<i>Total Expenditures</i>	<u>4,113,576</u>	<u>3,929,956</u>	<u>2,465,787</u>	<u>1,464,169</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,123,135)</u>	<u>(941,613)</u>	<u>451,356</u>	<u>1,392,969</u>
Other Financing Sources (Uses)				
Bonds Issued	375,000	0	0	0
Transfers In	1,850,244	1,850,244	1,857,744	7,500
Transfers Out	(1,895,244)	(1,910,629)	(1,857,744)	52,885
<i>Total Other Financing Sources (Uses)</i>	<u>330,000</u>	<u>(60,385)</u>	<u>0</u>	<u>60,385</u>
<i>Net Change in Fund Balances</i>	<u>(793,135)</u>	<u>(1,001,998)</u>	<u>451,356</u>	<u>1,453,354</u>
<i>Fund Balances at Beginning of Year-Restated</i>	<u>1,388,566</u>	<u>1,388,566</u>	<u>1,388,566</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>279,325</u>	<u>279,325</u>	<u>279,325</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$874,756</u>	<u>\$665,893</u>	<u>\$2,119,247</u>	<u>\$1,453,354</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$788,750	\$806,709	\$781,709	(\$25,000)
Charges for Services	5,102,000	3,443,658	3,443,658	0
Intergovernmental	1,511,835	3,228,956	2,973,857	(255,099)
Interest	0	30	30	0
Other	241,559	366,659	290,069	(76,590)
<i>Total Revenues</i>	<i>7,644,144</i>	<i>7,846,012</i>	<i>7,489,323</i>	<i>(356,689)</i>
Expenditures:				
Current:				
Transportation				
Personal Services	1,803,069	1,711,657	1,512,832	198,825
Fringe Benefits	1,017,224	1,027,224	853,581	173,643
Travel Transportation	1,000	3,000	390	2,610
Contractual Services	4,306,961	3,910,410	3,456,807	453,603
Materials and Supplies	288,640	347,117	183,346	163,771
Capital Outlay	111,678	313,167	21,008	292,159
Other	400	500	23	477
<i>Total Transportation</i>	<i>7,528,972</i>	<i>7,313,075</i>	<i>6,027,987</i>	<i>1,285,088</i>
Capital Outlay:				
Capital Outlay	0	123,713	123,713	0
<i>Total Capital Outlay</i>	<i>0</i>	<i>123,713</i>	<i>123,713</i>	<i>0</i>
Debt Service:				
Principal Retirement	30,000	45,000	45,000	0
Interest and Fiscal Charges	41,256	26,256	23,601	2,655
<i>Total Debt Service</i>	<i>71,256</i>	<i>71,256</i>	<i>68,601</i>	<i>2,655</i>
<i>Total Expenditures</i>	<i>7,600,228</i>	<i>7,508,044</i>	<i>6,220,301</i>	<i>1,287,743</i>
<i>Excess of Revenues Over Expenditures</i>	<i>43,916</i>	<i>337,968</i>	<i>1,269,022</i>	<i>931,054</i>
Other Financing Sources (Uses)				
Advances In	0	108,409	108,409	0
Transfers Out	(49,232)	(55,482)	0	55,482
Advances Out	0	(108,409)	(108,409)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(49,232)</i>	<i>(55,482)</i>	<i>0</i>	<i>55,482</i>
<i>Net Change in Fund Balances</i>	<i>(5,316)</i>	<i>282,486</i>	<i>1,269,022</i>	<i>986,536</i>
<i>Fund Balances at Beginning of Year</i>	<i>421,720</i>	<i>421,720</i>	<i>421,720</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>5,873</i>	<i>5,873</i>	<i>5,873</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$422,277</i>	<i>\$710,079</i>	<i>\$1,696,615</i>	<i>\$986,536</i>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
State Highway Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$88,000	\$101,979	\$101,979	\$0
<i>Total Revenues</i>	88,000	101,979	101,979	0
Expenditures:				
Current:				
Transportation				
Capital Outlay	88,000	178,000	170,000	8,000
Other	20,132	0	0	0
<i>Total Transportation</i>	108,132	178,000	170,000	8,000
Capital Outlay:				
Capital Outlay	0	200,000	200,000	0
<i>Total Capital Outlay</i>	0	200,000	200,000	0
Debt Service:				
Principal Retirement	0	16,522	16,522	0
Interest and Fiscal Charges	0	3,610	3,610	0
<i>Total Debt Service</i>	0	20,132	20,132	0
<i>Total Expenditures</i>	108,132	398,132	390,132	8,000
<i>Net Change in Fund Balances</i>	(20,132)	(296,153)	(288,153)	8,000
<i>Fund Balances at Beginning of Year</i>	393,800	393,800	393,800	0
<i>Fund Balances at End of Year</i>	\$373,668	\$97,647	\$105,647	\$8,000

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parks and Recreation Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$591,563	\$605,032	\$605,032	\$0
Charges for Services	128,000	6,675	6,700	25
Interest	0	23	23	0
Contributions and Donations	2,000	0	0	0
Other	25,500	66,282	50,468	(15,814)
<i>Total Revenues</i>	<u>747,063</u>	<u>678,012</u>	<u>662,223</u>	<u>(15,789)</u>
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Personal Services	405,276	324,276	303,627	20,649
Fringe Benefits	214,140	215,140	174,200	40,940
Contractual Services	72,308	60,574	55,420	5,154
Materials and Supplies	83,400	54,599	43,560	11,039
Other	2,200	500	0	500
<i>Total Parks and Recreation</i>	<u>777,324</u>	<u>655,089</u>	<u>576,807</u>	<u>78,282</u>
Swimming Pool				
Contractual Services	0	13,000	3,669	9,331
Materials and Supplies	0	2,489	2,417	72
Other	0	1,000	350	650
<i>Total Swimming Pool</i>	<u>0</u>	<u>16,489</u>	<u>6,436</u>	<u>10,053</u>
<i>Total Leisure Time Services</i>	<u>777,324</u>	<u>671,578</u>	<u>583,243</u>	<u>88,335</u>
Capital Outlay:				
Capital Outlay	0	585	585	0
<i>Total Capital Outlay</i>	<u>0</u>	<u>585</u>	<u>585</u>	<u>0</u>
<i>Total Expenditures</i>	<u>777,324</u>	<u>672,163</u>	<u>583,828</u>	<u>88,335</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(30,261)</u>	<u>5,849</u>	<u>78,395</u>	<u>72,546</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	0	526	526	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>526</u>	<u>526</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(30,261)</u>	<u>6,375</u>	<u>78,921</u>	<u>72,546</u>
<i>Fund Balances at Beginning of Year</i>	<u>168,278</u>	<u>168,278</u>	<u>168,278</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$138,017</u>	<u>\$174,653</u>	<u>\$247,199</u>	<u>\$72,546</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
HUD Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$0	\$10,832	\$10,832	\$0
Intergovernmental	0	155,000	9,500	(145,500)
Interest	0	1	2	1
<i>Total Revenues</i>	0	165,833	20,334	(145,499)
Expenditures:				
Current:				
Community Environment				
Rehabilitation and Development				
Contractual Services	0	193,854	33,672	160,182
<i>Total Rehabilitation and Development</i>	0	193,854	33,672	160,182
<i>Total Community Environment</i>	0	193,854	33,672	160,182
<i>Total Expenditures</i>	0	193,854	33,672	160,182
<i>Excess of Revenues Under Expenditures</i>	0	(28,021)	(13,338)	14,683
Other Financing Sources				
Transfers In	0	4,930	10,000	5,070
<i>Total Other Financing Sources</i>	0	4,930	10,000	5,070
<i>Net Change in Fund Balances</i>	0	(23,091)	(3,338)	19,753
<i>Fund Balances at Beginning of Year</i>	23,430	23,430	23,430	0
<i>Fund Balances at End of Year</i>	\$23,430	\$339	\$20,092	\$19,753

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Grants Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Intergovernmental	\$224,074	\$237,368	\$118,653
<i>Total Revenues</i>	224,074	237,368	118,653
Expenditures:			
Current:			
General Government			
Victim Witness			
Personal Services	94,820	100,446	50,724
<i>Total Victim Witness</i>	94,820	100,446	50,724
<i>Total General Government</i>	94,820	100,446	50,724
<i>Security of Persons and Property</i>			
Fire			
Personal Services	129,254	136,922	69,144
<i>Total Fire</i>	129,254	136,922	69,144
<i>Total Security of Persons and Property</i>	129,254	136,922	69,144
<i>Total Expenditures</i>	224,074	237,368	119,868
<i>Net Change in Fund Balances</i>	0	0	(1,215)
<i>Fund Balances at Beginning of Year</i>	91,031	91,031	91,031
<i>Fund Balances at End of Year</i>	\$91,031	\$91,031	\$89,816

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Cablevision Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	0	0	0	0
<i>Fund Balances at Beginning of Year</i>	5,765	5,765	5,765	0
<i>Fund Balances at End of Year</i>	\$5,765	\$5,765	\$5,765	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Law Enforcement Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$7,500	\$7,047	\$7,047	\$0
<i>Total Revenues</i>	<u>7,500</u>	<u>7,047</u>	<u>7,047</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	25,000	25,000	6,423	18,577
<i>Total Police</i>	<u>25,000</u>	<u>25,000</u>	<u>6,423</u>	<u>18,577</u>
<i>Total Security of Persons and Property</i>	<u>25,000</u>	<u>25,000</u>	<u>6,423</u>	<u>18,577</u>
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>6,423</u>	<u>18,577</u>
<i>Net Change in Fund Balances</i>	(17,500)	(17,953)	624	18,577
<i>Fund Balances at Beginning of Year</i>	<u>43,477</u>	<u>43,477</u>	<u>43,477</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$25,977</u>	<u>\$25,524</u>	<u>\$44,101</u>	<u>\$18,577</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Indigent Driver's Alcohol Treatment Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$25,500	\$15,413	\$15,413	\$0
<i>Total Revenues</i>	25,500	15,413	15,413	0
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Contractual Services	50,000	50,000	0	50,000
Other	10,000	10,000	0	10,000
<i>Total Police</i>	60,000	60,000	0	60,000
<i>Total Security of Persons and Property</i>	60,000	60,000	0	60,000
<i>Total Expenditures</i>	60,000	60,000	0	60,000
<i>Net Change in Fund Balances</i>	(34,500)	(44,587)	15,413	60,000
<i>Fund Balances at Beginning of Year</i>	269,766	269,766	269,766	0
<i>Fund Balances at End of Year</i>	\$235,266	\$225,179	\$285,179	\$60,000

City of Chillicothe

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)

OMVI Enforcement and Education Fund

For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$2,550	\$1,758	\$1,758	\$0
<i>Total Revenues</i>	2,550	1,758	1,758	0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	2,550	1,758	1,758	0
<i>Fund Balances at Beginning of Year</i>	22,760	22,760	22,760	0
<i>Fund Balances at End of Year</i>	\$25,310	\$24,518	\$24,518	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Mandatory Drug Fines Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$3,000	\$1,752	\$1,752	\$0
<i>Total Revenues</i>	3,000	1,752	1,752	0
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	3,000	0	0	0
<i>Total Police</i>	3,000	0	0	0
<i>Total Security of Persons and Property</i>	3,000	0	0	0
<i>Total Expenditures</i>	3,000	0	0	0
<i>Net Change in Fund Balances</i>	0	1,752	1,752	0
<i>Fund Balances at Beginning of Year</i>	7,541	7,541	7,541	0
<i>Fund Balances at End of Year</i>	\$7,541	\$9,293	\$9,293	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parking Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$32,000	\$8,450	\$8,450	\$0
Fines, Licenses, and Permits	25,000	2,535	2,535	0
Other	5,322	30,351	27,006	(3,345)
<i>Total Revenues</i>	<u>62,322</u>	<u>41,336</u>	<u>37,991</u>	<u>(3,345)</u>
Expenditures:				
Current:				
Transportation				
Traffic Control and Parking Facility				
Personal Services	63,495	94,294	85,131	9,163
Fringe Benefits	50,136	56,924	42,230	14,694
Contractual Services	10,050	8,502	6,088	2,414
Materials and Supplies	17,350	32,994	15,475	17,519
Capital Outlay	222,702	34,743	23,743	11,000
<i>Total Traffic Control and Parking Facility</i>	<u>363,733</u>	<u>227,457</u>	<u>172,667</u>	<u>54,790</u>
<i>Total Transportation</i>	<u>363,733</u>	<u>227,457</u>	<u>172,667</u>	<u>54,790</u>
Capital Outlay:				
Capital Outlay	0	501	501	0
<i>Total Capital Outlay</i>	<u>0</u>	<u>501</u>	<u>501</u>	<u>0</u>
<i>Total Expenditures</i>	<u>363,733</u>	<u>227,958</u>	<u>173,168</u>	<u>54,790</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(301,411)</u>	<u>(186,622)</u>	<u>(135,177)</u>	<u>51,445</u>
Other Financing Sources (Uses)				
Bonds Issued	182,000	0	0	0
Transfers In	150,412	256,282	256,282	0
Transfers Out	(30,000)	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>302,412</u>	<u>226,282</u>	<u>226,282</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>1,001</u>	<u>39,660</u>	<u>91,105</u>	<u>51,445</u>
<i>Fund Balances at Beginning of Year</i>	<u>20,927</u>	<u>20,927</u>	<u>20,927</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>355</u>	<u>355</u>	<u>355</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$22,283</u>	<u>\$60,942</u>	<u>\$112,387</u>	<u>\$51,445</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Police Pension Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$130,146	\$123,141	\$123,141	\$0
Intergovernmental	14,000	14,893	14,893	0
<i>Total Revenues</i>	<u>144,146</u>	<u>138,034</u>	<u>138,034</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Pension and Disability				
Fringe Benefits	641,379	641,376	613,507	27,869
Other	2,550	2,553	2,553	0
<i>Total Police Pension and Disability</i>	<u>643,929</u>	<u>643,929</u>	<u>616,060</u>	<u>27,869</u>
<i>Total Security of Persons and Property</i>	<u>643,929</u>	<u>643,929</u>	<u>616,060</u>	<u>27,869</u>
Debt Service:				
Principal Retirement	6,780	6,780	6,780	0
Interest and Fiscal Charges	1,294	1,294	822	472
<i>Total Debt Service</i>	<u>8,074</u>	<u>8,074</u>	<u>7,602</u>	<u>472</u>
<i>Total Expenditures</i>	<u>652,003</u>	<u>652,003</u>	<u>623,662</u>	<u>28,341</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(507,857)</u>	<u>(513,969)</u>	<u>(485,628)</u>	<u>28,341</u>
Other Financing Sources				
Transfers In	511,383	511,383	511,383	0
<i>Total Other Financing Sources</i>	<u>511,383</u>	<u>511,383</u>	<u>511,383</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>3,526</u>	<u>(2,586)</u>	<u>25,755</u>	<u>28,341</u>
<i>Fund Balances at Beginning of Year</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$8,526</u></u>	<u><u>\$2,414</u></u>	<u><u>\$30,755</u></u>	<u><u>\$28,341</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Fire Pension Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$130,146	\$123,141	\$123,141	\$0
Intergovernmental	14,050	14,893	14,893	0
<i>Total Revenues</i>	<u>144,196</u>	<u>138,034</u>	<u>138,034</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Pension and Disability				
Fringe Benefits	789,995	791,993	791,770	223
Other	2,550	2,553	2,553	0
<i>Total Fire Pension and Disability</i>	<u>792,545</u>	<u>794,546</u>	<u>794,323</u>	<u>223</u>
<i>Total Security of Persons and Property</i>	<u>792,545</u>	<u>794,546</u>	<u>794,323</u>	<u>223</u>
Debt Service:				
Principal Retirement	23,220	23,220	23,220	0
Interest and Fiscal Charges	4,431	4,431	2,814	1,617
<i>Total Debt Service</i>	<u>27,651</u>	<u>27,651</u>	<u>26,034</u>	<u>1,617</u>
<i>Total Expenditures</i>	<u>820,196</u>	<u>822,197</u>	<u>820,357</u>	<u>1,840</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(676,000)</u>	<u>(684,163)</u>	<u>(682,323)</u>	<u>1,840</u>
Other Financing Sources				
Transfers In	676,000	693,000	693,000	0
<i>Total Other Financing Sources</i>	<u>676,000</u>	<u>693,000</u>	<u>693,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>0</u>	<u>8,837</u>	<u>10,677</u>	<u>1,840</u>
<i>Fund Balances at Beginning of Year</i>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,000</u></u>	<u><u>\$9,837</u></u>	<u><u>\$11,677</u></u>	<u><u>\$1,840</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
COVID-19 Grant Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$0	\$1,862,684	\$1,862,684	\$0
<i>Total Revenues</i>	0	1,862,684	1,862,684	0
Expenditures:				
Current:				
General Government				
Mayor				
Materials and Supplies	0	27,580	20,512	7,068
<i>Total Mayor</i>	0	27,580	20,512	7,068
City Council				
Materials and Supplies	0	21,212	15,776	5,436
<i>Total City Council</i>	0	21,212	15,776	5,436
Income Tax				
Materials and Supplies	0	3,556	2,645	911
<i>Total Income Tax</i>	0	3,556	2,645	911
Lands and Buildings				
Materials and Supplies	0	223,794	166,441	57,353
<i>Total Lands and Buildings</i>	0	223,794	166,441	57,353
Law Director				
Materials and Supplies	0	32,877	24,451	8,426
<i>Total Law Director</i>	0	32,877	24,451	8,426
Auditor				
Materials and Supplies	0	10,405	7,738	2,667
<i>Total Auditor</i>	0	10,405	7,738	2,667
Municipal Court				
Materials and Supplies	0	1,735	1,290	445
<i>Total Municipal Court</i>	0	1,735	1,290	445
Service				
Materials and Supplies	0	12,578	9,355	3,223
<i>Total Service</i>	0	12,578	9,355	3,223
Engineering				
Materials and Supplies	0	29,581	22,000	7,581
<i>Total Engineering</i>	0	29,581	22,000	7,581
<i>Total General Government</i>	0	363,318	270,208	93,110

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
COVID-19 Grant Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Security of Persons and Property			
Police			
Materials and Supplies	\$0	\$78,815	\$47,052
<i>Total Police</i>	0	78,815	47,052
Security of Persons and Property			
Fire			
Materials and Supplies	0	85,785	84,845
<i>Total Fire</i>	0	85,785	84,845
<i>Total Security of Persons and Property</i>	0	164,600	131,897
Leisure Time Services			
Materials and Supplies	0	4,950	3,689
<i>Total Leisure Time Services</i>	0	4,950	3,689
Community Environment			
Grants to the Community	0	888,467	732,341
<i>Total Community Environment</i>	0	888,467	732,341
Basic Utility Services			
Materials and Supplies	0	40,403	24,033
<i>Total Basic Utility Services</i>	0	40,403	24,033
Transportation			
Materials and Supplies	0	111,109	17,773
<i>Total Transportation</i>	0	111,109	17,773
Capital Outlay:			
Capital Outlay	0	526,616	526,616
<i>Total Capital Outlay</i>	0	526,616	526,616
<i>Total Expenditures</i>	0	2,099,463	1,706,557
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(236,779)	156,127
Other Financing Sources			
Transfers In	0	236,779	0
<i>Total Other Financing Sources</i>	0	236,779	0
<i>Net Change in Fund Balances</i>	0	0	156,127
<i>Fund Balances at Beginning of Year</i>	0	0	0
<i>Fund Balances at End of Year</i>	\$0	\$0	\$156,127

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Debt Service:				
Interest and Fiscal Charges	0	98,027	4,310	93,717
<i>Total Debt Service</i>	0	98,027	4,310	93,717
<i>Total Expenditures</i>	0	98,027	4,310	93,717
<i>Net Change in Fund Balances</i>	0	(98,027)	(4,310)	93,717
<i>Fund Balances at Beginning of Year</i>	232,643	232,643	232,643	0
<i>Fund Balances at End of Year</i>	\$232,643	\$134,616	\$228,333	\$93,717

City of Chillicothe

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)

Capital Improvement Fund

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	0	0	0	0
<i>Fund Balances at Beginning of Year</i>	32,000	32,000	32,000	0
<i>Fund Balances at End of Year</i>	\$32,000	\$32,000	\$32,000	\$0

City of Chillicothe

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)

Issue II Fund

For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$520,000	\$0	\$0	\$0
<i>Total Revenues</i>	\$520,000	\$0	\$0	\$0
Expenditures:				
Capital Outlay				
Capital Outlay	520,000	0	0	0
<i>Total Capital Outlay</i>	520,000	0	0	0
<i>Total Expenditures</i>	520,000	0	0	0
<i>Net Change in Fund Balances</i>	0	0	0	0
<i>Fund Balances at Beginning of Year</i>	0	0	0	0
<i>Fund Balances at End of Year</i>	\$0	\$0	\$0	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Safety Levy Capital Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$788,750	\$806,709	\$781,709	(\$25,000)
Intergovernmental	0	140,771	0	(140,771)
Interest	0	30	30	0
Other	0	26	26	0
<i>Total Revenues</i>	<u>788,750</u>	<u>947,536</u>	<u>781,765</u>	<u>(165,771)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Fringe Benefits	10,000	32,759	17,482	15,277
Contractual Services	32,200	32,250	9,062	23,188
Capital Outlay	305,460	109,419	57,029	52,390
Other	10,000	10,000	5,160	4,840
<i>Total Police</i>	<u>357,660</u>	<u>184,428</u>	<u>88,733</u>	<u>95,695</u>
Security of Persons and Property				
Fire				
Contractual Services	357	3,112	2,545	567
Capital Outlay	323,600	376,890	203,106	173,784
<i>Total Fire</i>	<u>323,957</u>	<u>380,002</u>	<u>205,651</u>	<u>174,351</u>
<i>Total Security of Persons and Property</i>	<u>681,617</u>	<u>564,430</u>	<u>294,384</u>	<u>270,046</u>
Capital Outlay:				
Capital Outlay	0	83,537	83,537	0
<i>Total Capital Outlay</i>	<u>0</u>	<u>83,537</u>	<u>83,537</u>	<u>0</u>
Debt Service:				
Principal Retirement	337,367	337,367	337,129	238
Interest and Fiscal Charges	33,437	33,437	32,355	1,082
<i>Total Debt Service</i>	<u>370,804</u>	<u>370,804</u>	<u>369,484</u>	<u>1,320</u>
<i>Total Expenditures</i>	<u>1,052,421</u>	<u>1,018,771</u>	<u>747,405</u>	<u>271,366</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(263,671)</u>	<u>(71,235)</u>	<u>34,360</u>	<u>105,595</u>
Other Financing Sources (Uses)				
Bonds Issued	235,000	0	0	0
Transfers Out	(22,500)	(28,750)	0	28,750
<i>Total Other Financing Sources (Uses)</i>	<u>212,500</u>	<u>(28,750)</u>	<u>0</u>	<u>28,750</u>
<i>Net Change in Fund Balances</i>	<u>(51,171)</u>	<u>(99,985)</u>	<u>34,360</u>	<u>134,345</u>
<i>Fund Balances at Beginning of Year</i>	<u>499,059</u>	<u>499,059</u>	<u>499,059</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>17,744</u>	<u>17,744</u>	<u>17,744</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$465,632</u>	<u>\$416,818</u>	<u>\$551,163</u>	<u>\$134,345</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parks and Recreation Capital Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$191,250	\$201,676	\$176,676	(\$25,000)
Intergovernmental	0	22,100	0	(22,100)
Interest	0	8	8	0
Other	95,000	0	0	0
<i>Total Revenues</i>	<u>286,250</u>	<u>223,784</u>	<u>176,684</u>	<u>(47,100)</u>
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Contractual Services	100	100	22	78
Capital Outlay	323,350	475,059	98,935	376,124
<i>Total Parks and Recreation</i>	<u>323,450</u>	<u>475,159</u>	<u>98,957</u>	<u>376,202</u>
<i>Total Leisure Time Services</i>	<u>323,450</u>	<u>475,159</u>	<u>98,957</u>	<u>376,202</u>
Capital Outlay:				
Capital Outlay	0	250,509	250,509	0
<i>Total Capital Outlay</i>	<u>0</u>	<u>250,509</u>	<u>250,509</u>	<u>0</u>
Debt Service:				
Principal Retirement	17,000	17,000	17,000	0
Interest and Fiscal Charges	19,456	19,456	18,594	862
<i>Total Debt Service</i>	<u>36,456</u>	<u>36,456</u>	<u>35,594</u>	<u>862</u>
<i>Total Expenditures</i>	<u>359,906</u>	<u>762,124</u>	<u>385,060</u>	<u>377,064</u>
<i>Excess of Revenues Under Expenditures</i>	(73,656)	(538,340)	(208,376)	329,964
Other Financing Sources (Uses)				
Advances In	0	250,000	250,000	0
Transfers Out	(22,500)	(32,232)	0	32,232
<i>Total Other Financing Sources (Uses)</i>	<u>(22,500)</u>	<u>217,768</u>	<u>250,000</u>	<u>32,232</u>
<i>Net Change in Fund Balances</i>	(96,156)	(320,572)	41,624	362,196
<i>Fund Balances at Beginning of Year</i>	374,159	374,159	374,159	0
<i>Prior Year Encumbrances Appropriated</i>	355	355	355	0
<i>Fund Balances at End of Year</i>	<u>\$278,358</u>	<u>\$53,942</u>	<u>\$416,138</u>	<u>\$362,196</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Carlisle Hill Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest	\$15	\$15	\$15	\$0
<i>Total Revenues</i>	15	15	15	0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	15	15	15	0
<i>Fund Balances at Beginning of Year</i>	3,355	3,355	3,355	0
<i>Fund Balances at End of Year</i>	\$3,370	\$3,370	\$3,370	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Floodwall Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Community Environment				
Floodwall Maintenance				
Contractual Services	26,541	26,541	26,510	31
Materials and Supplies	6,000	6,000	2,539	3,461
Capital Outlay	40,000	5,000	1,998	3,002
<i>Total Floodwall Maintenance</i>	<u>72,541</u>	<u>37,541</u>	<u>31,047</u>	<u>6,494</u>
<i>Total Community Environment</i>	<u>72,541</u>	<u>37,541</u>	<u>31,047</u>	<u>6,494</u>
<i>Total Expenditures</i>	<u>72,541</u>	<u>37,541</u>	<u>31,047</u>	<u>6,494</u>
<i>Excess of Revenues Under Expenditures</i>	(72,541)	(37,541)	(31,047)	6,494
Other Financing Sources (Uses)				
Bonds Issued	35,000	0	0	0
Transfers In	30,000	30,000	30,000	0
Transfers Out	(9,800)	(9,800)	0	9,800
<i>Total Other Financing Sources (Uses)</i>	<u>55,200</u>	<u>20,200</u>	<u>30,000</u>	<u>9,800</u>
<i>Net Change in Fund Balances</i>	(17,341)	(17,341)	(1,047)	16,294
<i>Fund Balances at Beginning of Year</i>	40,739	40,739	40,739	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$27,398</u>	<u>\$27,398</u>	<u>\$43,692</u>	<u>\$16,294</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Landfill Closure Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Public Health				
Materials and Supplies	1,500	1,500	0	1,500
Other	44,238	60,000	57,100	2,900
<i>Total Public Health</i>	45,738	61,500	57,100	4,400
Debt Service:				
Principal Retirement	0	3,478	3,478	0
Interest and Fiscal Charges	0	760	760	0
<i>Total Debt Service</i>	0	4,238	4,238	0
<i>Total Expenditures</i>	45,738	65,738	61,338	4,400
<i>Excess of Revenues Under Expenditures</i>	(45,738)	(65,738)	(61,338)	4,400
Other Financing Sources				
Transfers In	34,000	34,000	34,000	0
<i>Total Other Financing Sources</i>	34,000	34,000	34,000	0
<i>Net Change in Fund Balances</i>	(11,738)	(31,738)	(27,338)	4,400
<i>Fund Balances at Beginning of Year</i>	36,115	36,115	36,115	0
<i>Fund Balances at End of Year</i>	\$24,377	\$4,377	\$8,777	\$4,400

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Streetscape Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Transportation				
Capital Outlay	10,000	10,000	9,872	128
<i>Total Transportation</i>	10,000	10,000	9,872	128
<i>Total Expenditures</i>	10,000	10,000	9,872	128
<i>Excess of Revenues Under Expenditures</i>	(10,000)	(10,000)	(9,872)	128
Other Financing Sources				
Transfers In	10,000	10,000	10,000	0
<i>Total Other Financing Sources</i>	10,000	10,000	10,000	0
<i>Net Change in Fund Balances</i>	0	0	128	128
<i>Fund Balances at Beginning of Year</i>	24,337	24,337	24,337	0
<i>Fund Balances at End of Year</i>	\$24,337	\$24,337	\$24,465	\$128

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Unclaimed Monies Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other	\$8,000	\$7,691	\$7,691	\$0
<i>Total Revenues</i>	8,000	7,691	7,691	0
Expenditures:				
Current:				
General Government				
Monies Claimed				
Other	1,000	1,000	225	775
<i>Total Monies Claimed</i>	1,000	1,000	225	775
<i>Total General Government</i>	1,000	1,000	225	775
<i>Total Expenditures</i>	1,000	1,000	225	775
<i>Net Change in Fund Balances</i>	7,000	6,691	7,466	775
<i>Fund Balances at Beginning of Year</i>	110,985	110,985	110,985	0
<i>Fund Balances at End of Year</i>	\$117,985	\$117,676	\$118,451	\$775

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Postage Rotary Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$60,000	\$60,000	\$52,423	(\$7,577)
<i>Total Revenues</i>	60,000	60,000	52,423	(7,577)
Expenditures:				
Current:				
General Government				
Postage Services				
Materials and Supplies	60,000	60,000	51,337	8,663
<i>Total Postage Services</i>	60,000	60,000	51,337	8,663
<i>Total General Government</i>	60,000	60,000	51,337	8,663
<i>Total Expenditures</i>	60,000	60,000	51,337	8,663
<i>Net Change in Fund Balances</i>	0	0	1,086	1,086
<i>Fund Balances at Beginning of Year</i>	15,979	15,979	15,979	0
<i>Fund Balances at End of Year</i>	\$15,979	\$15,979	\$17,065	\$1,086

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City of Chillicothe, Ohio
Proprietary Fund Descriptions

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
Schedule of Revenues, Expenditures, and Change in Fund Equity - Budget and Actual (Budget Basis)
Water Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$4,350,700	\$4,291,519	\$4,291,519	\$0
Other Operating Revenue	154,630	296,294	216,368	(79,926)
<i>Total Revenues</i>	<u>4,505,330</u>	<u>4,587,813</u>	<u>4,507,887</u>	<u>(79,926)</u>
Expenses:				
Current:				
Personal Services	1,387,917	1,419,226	1,391,402	27,824
Fringe Benefits	875,283	903,974	809,155	94,819
Travel Transportation	26,816	500	127	373
Contractual Services	876,728	940,750	747,641	193,109
Materials and Supplies	493,850	492,704	369,818	122,886
Other Operating Expenses	10,000	8,924	0	8,924
Capital Outlay	726,885	1,190,591	768,474	422,117
Debt Service:				
Principal Retirement	440,000	452,000	452,000	0
Interest and Fiscal Charges	8,800	23,316	22,454	862
<i>Total Expenses</i>	<u>4,846,279</u>	<u>5,431,985</u>	<u>4,561,071</u>	<u>870,914</u>
<i>Excess of Revenues Under Expenses</i>	(340,949)	(844,172)	(53,184)	790,988
Other Financing Sources (Uses)				
Intergovernmental	0	35,000	0	(35,000)
Proceeds from Sales of Capital Assets	0	855	855	0
Transfers In	448,800	448,800	448,800	0
Transfers Out	(448,800)	(451,685)	(448,800)	2,885
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>32,970</u>	<u>855</u>	<u>(32,115)</u>
<i>Net Change in Fund Equity</i>	(340,949)	(811,202)	(52,329)	758,873
<i>Fund Equity at Beginning of Year</i>	5,267,600	5,267,600	5,267,600	0
<i>Prior Year Encumbrances Appropriated</i>	94,825	94,825	94,825	0
<i>Fund Equity at End of Year</i>	<u>\$5,021,476</u>	<u>\$4,551,223</u>	<u>\$5,310,096</u>	<u>\$758,873</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Equity - Budget and Actual (Budget Basis)
Sewer Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$3,170,000	\$3,524,795	\$3,526,351	\$1,556
Other Operating Revenue	64,889	207,477	145,573	(61,904)
<i>Total Revenues</i>	<u>3,234,889</u>	<u>3,732,272</u>	<u>3,671,924</u>	<u>(60,348)</u>
Expenses:				
Current:				
Personal Services	1,236,584	1,212,433	1,173,887	38,546
Fringe Benefits	809,669	833,820	663,698	170,122
Travel Transportation	300	300	98	202
Contractual Services	602,189	630,675	597,957	32,718
Materials and Supplies	182,150	186,402	158,184	28,218
Other Operating Expenses	36,516	9,263	0	9,263
Capital Outlay	916,439	3,842,230	3,546,672	295,558
Debt Service:				
Principal Retirement	130,000	147,000	147,000	0
Interest and Fiscal Charges	17,425	26,941	25,261	1,680
<i>Total Expenses</i>	<u>3,931,272</u>	<u>6,889,064</u>	<u>6,312,757</u>	<u>576,307</u>
<i>Excess of Revenues Under Expenses</i>	(696,383)	(3,156,792)	(2,640,833)	515,959
Other Financing Sources (Uses)				
Proceeds from Sales of Capital Assets	0	3,985	3,985	0
Bond Anticipation Notes Issued	0	2,138,013	2,138,013	0
Bonds Issued	450,000	0	0	0
Transfers In	177,425	176,607	176,607	0
Transfers Out	(147,425)	(150,310)	(146,607)	3,703
<i>Total Other Financing Sources (Uses)</i>	<u>480,000</u>	<u>2,168,295</u>	<u>2,171,998</u>	<u>3,703</u>
<i>Net Change in Fund Equity</i>	(216,383)	(988,497)	(468,835)	519,662
<i>Fund Equity at Beginning of Year</i>	5,237,339	5,237,339	5,237,339	0
<i>Prior Year Encumbrances Appropriated</i>	70,499	70,499	70,499	0
<i>Fund Equity at End of Year</i>	<u>\$5,091,455</u>	<u>\$4,319,341</u>	<u>\$4,839,003</u>	<u>\$519,662</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Equity - Budget and Actual (Budget Basis)
Internal Service Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$420,000	\$420,000	\$240,450	(\$179,550)
<i>Total Revenues</i>	420,000	420,000	240,450	(179,550)
Expenses:				
Current:				
Materials and Supplies	422,500	422,500	231,732	190,768
<i>Total Expenses</i>	422,500	422,500	231,732	190,768
<i>Net Change in Fund Equity</i>	(2,500)	(2,500)	8,718	11,218
<i>Fund Equity at Beginning of Year</i>	64,255	64,255	64,255	0
<i>Fund Equity at End of Year</i>	\$61,755	\$61,755	\$72,973	\$11,218

City of Chillicothe, Ohio
Fiduciary Fund Descriptions

Custodial Funds

The custodial 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 custodial funds:

Court Custodial Fund

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

Deposits Custodial Fund

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

City of Chillicothe
Combining Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2020

	Deposits Custodial	Municipal Court	Total Custodial Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$38,105	\$0	\$38,105
Cash and Cash Equivalents in Segregated Accounts	0	163,598	163,598
<i>Total Assets</i>	38,105	163,598	201,703
Liabilities:			
Intergovernmental Payable	0	163,598	163,598
<i>Total Liabilities</i>	0	163,598	163,598
Net Position:			
Restricted for Individuals, Organizations, and Other Governments	38,105	0	38,105
<i>Total Net Position</i>	<u>\$38,105</u>	<u>\$0</u>	<u>\$38,105</u>

City of Chillicothe
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

	Deposits Custodial	Municipal Court	Total Custodial Funds
Additions:			
Fines and Forfeitures for Other Governments	\$327	\$1,382,183	\$1,382,510
<i>Total Additions</i>	327	1,382,183	1,382,510
Deductions:			
Fines and Forfeitures Distributions to Other Governments	278	1,382,183	1,382,461
<i>Total Deductions</i>	278	1,382,183	1,382,461
 <i>Change in Net Position</i>	 49	 0	 49
 <i>Net Position at Beginning of Year-Restated</i>	 38,056	 0	 38,056
 <i>Net Position at End of Year</i>	 \$38,105	 \$0	 \$38,105

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>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	154-165
<i>Revenue Capacity</i>	
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: property and income taxes.	166-173
<i>Debt Capacity</i>	
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.	174-180
<i>Economic and Demographic Information</i>	
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.	181-182
<i>Operating Information</i>	
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.	183-191

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

City of Chillicothe, Ohio
Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$37,577,135	\$37,188,766	\$36,003,964	\$34,537,906
<i>Restricted:</i>				
Debt Service	14,670	14,956	1,940	3,152
Capital Projects	2,433,951	587,122	753,555	874,538
<i>Permanent Fund:</i>				
Expendable	2,235	2,250	2,265	2,265
Nonexpendable	1,000	1,000	1,000	1,000
Street Maintenance and Repair	377,749	597,155	577,311	493,184
Bus Transit	13,980	144,362	454,151	585,710
Housing and Urban Development Program	655,388	630,777	211,626	88,716
Unclaimed Monies	56,577	65,497	71,744	77,778
Other Purposes	893,979	704,766	846,293	906,132
Unrestricted (Deficit)	(266,958)	(273,582)	575,723	(14,972,673)
<i>Total Governmental Activities Net Position</i>	<u>\$41,759,706</u>	<u>\$39,663,069</u>	<u>\$39,499,572</u>	<u>\$22,597,708</u>
<i>Business Type - Activities</i>				
Net Investment in Capital Assets	\$30,558,748	\$32,431,229	\$32,846,152	\$33,479,256
<i>Restricted:</i>				
Debt Service	1,283,936	1,283,936	1,351,634	1,351,634
Capital Projects	1,818,467	1,818,467	1,818,467	1,818,467
Unrestricted	7,450,049	4,928,272	4,914,405	3,032,263
<i>Total Business-Type Activities Net Position</i>	<u>\$41,111,200</u>	<u>\$40,461,904</u>	<u>\$40,930,658</u>	<u>\$39,681,620</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$68,135,883	\$69,619,995	\$68,850,116	\$68,017,162
Restricted	7,551,932	5,850,288	6,089,986	6,202,576
Unrestricted	7,183,091	4,654,690	5,490,128	(11,940,410)
<i>Total Primary Government Net Position</i>	<u>\$82,870,906</u>	<u>\$80,124,973</u>	<u>\$80,430,230</u>	<u>\$62,279,328</u>

*Restated in 2018.

<div style="text-align: center;">*</div>					
2015	2016	2017	2018	2019	2020
\$31,019,197	\$29,083,001	\$26,212,133	\$26,307,894	\$25,181,090	\$33,846,619
2,720	0	0	83,515	196,466	228,332
691,212	783,956	685,762	1,258,733	1,060,549	2,189,035
2,295	2,310	2,325	2,340	2,355	2,370
1,000	1,000	1,000	1,000	1,000	1,000
0	2,507,600	3,618,733	2,839,067	2,451,875	2,927,685
719,872	745,369	1,085,982	698,018	695,352	900,330
90,128	62,535	57,633	79,940	13,430	20,092
84,470	88,739	96,200	102,950	110,985	118,451
1,070,940	1,171,945	1,188,462	1,118,385	1,090,068	1,301,385
(12,599,357)	(15,464,626)	(32,054,419)	(35,176,908)	(26,910,596)	(27,895,813)
\$21,082,477	\$18,981,829	\$893,811	(\$2,685,066)	\$3,892,574	\$13,639,486
\$33,549,707	\$33,244,740	\$33,483,988	\$33,067,316	\$32,231,325	\$31,860,203
4	4	4	4	4	4
618,468	618,468	618,466	618,466	618,466	618,466
6,210,997	6,856,475	4,814,012	5,207,250	5,148,565	5,618,293
\$40,379,176	\$40,719,687	\$38,916,470	\$38,893,036	\$37,998,360	\$38,096,966
\$64,568,904	\$62,327,741	\$59,696,121	\$59,375,210	\$57,412,415	\$65,706,822
3,281,109	5,981,926	7,354,567	6,802,418	6,240,550	8,307,150
(6,388,360)	(8,608,151)	(27,240,407)	(29,969,658)	(21,762,031)	(22,277,520)
\$61,461,653	\$59,701,516	\$39,810,281	\$36,207,970	\$41,890,934	\$51,736,452

City of Chillicothe, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014
Program Revenues				
<i>Governmental Activities</i>				
<i>Charges for Services:</i>				
General Government	\$2,248,670	\$2,198,878	\$2,064,040	\$2,206,675
Security of Persons and Property:				
Police	52,402	62,719	43,245	42,685
Fire	1,227,034	1,128,525	1,090,048	1,136,677
Leisure Time Activities	107,531	125,053	72,920	109,667
Community Environment	0	0	0	0
Basic Utility Services	942,951	939,539	1,620,594	1,460,742
Transportation	1,059,399	1,200,451	1,159,503	2,038,070
Subtotal - Charges for Services	5,637,987	5,655,165	6,050,350	6,994,516
<i>Operating Grants and Contributions:</i>				
General Government	250,860	225,772	224,910	212,942
Security of Persons and Property:				
Police	0	29,330	132,204	74,464
Fire	0	155,117	254,413	30,317
Leisure Time Activities	17,046	19,877	5,938	17,440
Community Environment	1,866,383	1,127,170	50,375	120,686
Basic Utility Services	0	0	0	0
Transportation	2,125,408	2,341,454	3,524,770	2,464,472
Subtotal - Operating Grants and Contributions	4,259,697	3,898,720	4,192,610	2,920,321
<i>Capital Grants and Contributions:</i>				
Transportation	336,199	464,966	99,608	60,131
Leisure Time Activities	0	0	33,997	4,960
Subtotal - Capital Grants and Contributions	336,199	464,966	133,605	65,091
Total Governmental Activities Program Revenues	10,233,883	10,018,851	10,376,565	9,979,928
<i>Business-Type Activities</i>				
<i>Charges for Services</i>				
Water	4,515,934	3,747,483	4,467,383	4,343,590
Sewer	3,188,581	2,658,330	3,189,215	3,026,390
Total Business-Type Activities Program Revenues	7,704,515	6,405,813	7,656,598	7,369,980
Total Primary Government Program Revenues	\$17,938,398	\$16,424,664	\$18,033,163	\$17,349,908

2015	2016	2017	2018	2019	2020
\$2,326,602	\$2,483,728	\$2,675,760	\$2,373,866	\$2,224,889	\$1,641,839
49,952	33,477	41,252	34,761	39,815	161,998
999,256	1,037,872	1,068,942	1,048,201	1,091,456	1,108,592
91,472	114,592	111,831	109,365	96,761	6,700
0	0	0	0	0	10,832
1,461,615	1,455,317	1,452,727	1,485,124	1,643,182	1,924,929
2,345,012	1,959,322	2,228,577	4,486,010	5,202,451	3,603,228
7,273,909	7,084,308	7,579,089	9,537,327	10,298,554	8,458,118
0	0	6,843	0	0	999,389
33,611	14,800	41,146	235,623	393,488	92,262
19,502	14,017	14,140	14,110	14,482	160,401
0	0	0	0	0	26,199
83,757	69,041	47,704	13,450	363,546	833,215
0	0	0	0	0	27,032
2,676,569	2,664,810	2,434,016	2,082,423	2,457,636	4,368,114
2,813,439	2,762,668	2,543,849	2,345,606	3,229,152	6,506,612
330,000	95,450	420,773	603,450	512,747	0
0	10,000	0	56,802	83,569	0
330,000	105,450	420,773	660,252	596,316	0
10,417,348	9,952,426	10,543,711	12,543,185	14,124,022	14,964,730
4,389,716	4,276,662	4,345,361	4,421,534	4,382,532	4,707,309
3,091,530	3,044,372	3,171,156	3,430,191	3,488,525	3,832,193
7,481,246	7,321,034	7,516,517	7,851,725	7,871,057	8,539,502
\$17,898,594	\$17,273,460	\$18,060,228	\$20,394,910	\$21,995,079	\$23,504,232

(continued)

City of Chillicothe, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014
Expenses				
<i>Governmental Activities</i>				
General Government	\$5,714,391	\$5,699,394	\$5,333,744	\$5,100,298
Security of Persons and Property:				
Police	5,347,177	5,537,262	5,414,997	5,338,983
Fire	5,486,905	5,692,471	5,586,698	5,564,205
Leisure Time Activities	863,046	933,458	617,180	775,554
Community Environment	1,432,828	930,752	833,234	603,419
Basic Utility Services	673,426	920,910	752,633	1,108,199
Transportation	6,504,578	6,321,374	6,134,684	6,402,993
Interest and Fiscal Charges	116,032	115,936	125,816	167,577
Issuance Costs	0	0	156,699	0
<i>Total Governmental Activities Expenses</i>	<u>26,138,383</u>	<u>26,151,557</u>	<u>24,955,685</u>	<u>25,061,228</u>
<i>Business-Type Activities</i>				
Water	4,995,184	4,089,141	3,896,122	3,983,254
Sewer	3,328,562	3,103,909	3,494,256	3,123,064
<i>Total Business-Type Activities Expenses</i>	<u>8,323,746</u>	<u>7,193,050</u>	<u>7,390,378</u>	<u>7,106,318</u>
<i>Total Primary Government Program Expenses</i>	<u>34,462,129</u>	<u>33,344,607</u>	<u>32,346,063</u>	<u>32,167,546</u>
Net (Expense)/Revenue				
Governmental Activities	(15,904,500)	(16,132,706)	(14,579,120)	(15,081,300)
Business-Type Activities	<u>(619,231)</u>	<u>(787,237)</u>	<u>266,220</u>	<u>263,662</u>
<i>Total Primary Government Net Expense</i>	<u>(16,523,731)</u>	<u>(16,919,943)</u>	<u>(14,312,900)</u>	<u>(14,817,638)</u>

2015	2016	2017	2018	2019	2020
\$5,586,664	\$5,849,212	\$6,389,653	\$6,661,671	\$8,183,220	\$6,267,660
5,207,081	6,400,259	6,332,115	7,589,867	2,920,880	7,407,309
5,263,397	6,144,215	6,260,678	7,001,891	481,614	7,092,636
789,943	997,693	1,097,183	1,176,712	1,091,968	933,515
445,176	432,011	430,023	354,503	775,071	1,476,572
898,156	920,757	985,975	1,782,804	1,144,709	1,352,143
8,356,705	8,833,139	8,703,914	10,737,859	12,236,494	9,681,811
177,562	191,771	303,446	287,022	251,742	267,005
6,928	71,950	61,187	0	16,031	80,085
26,731,612	29,841,007	30,564,174	35,592,329	27,101,729	34,558,736
3,675,217	4,078,550	4,277,717	4,537,006	5,026,351	5,045,810
3,278,689	3,148,529	3,631,845	3,621,098	3,968,060	3,791,867
6,953,906	7,227,079	7,909,562	8,158,104	8,994,411	8,837,677
33,685,518	37,068,086	38,473,736	43,750,433	36,096,140	43,396,413
(16,314,264)	(19,888,581)	(20,020,463)	(23,049,144)	(12,977,707)	(19,594,006)
527,340	93,955	(393,045)	(306,379)	(1,123,354)	(298,175)
(15,786,924)	(19,794,626)	(20,413,508)	(23,355,523)	(14,101,061)	(19,892,181)

(continued)

City of Chillicothe, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014
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	\$899,306	\$880,624	\$883,741	\$865,677
Police and Fire Pension	216,144	211,970	226,163	222,750
<i>Municipal Income Taxes Levied for:</i>				
General Purposes	8,985,750	9,042,340	9,135,117	9,309,831
Transportation	690,670	697,395	702,702	716,139
Parks and Recreation	509,905	556,411	527,307	553,757
Capital Outlay	864,429	862,151	878,096	894,889
Other Local Taxes	207,975	238,930	243,520	262,223
Grants and Entitlements not Restricted to Specific Programs	1,937,176	979,018	1,148,330	915,163
Gifts and Contributions not Restricted to Specific Programs	0	0	0	0
Investment Income	50,035	31,662	16,768	17,177
Miscellaneous	341,810	549,757	674,708	558,521
Gain on Sale of Capital Assets	0	0	0	0
<i>Total Governmental Activities</i>	14,703,200	14,050,258	14,436,452	14,316,127
<i>Business-Type Activities</i>				
Investment Income	2,846	1,911	1,134	5,142
Miscellaneous	118,047	121,841	180,571	189,347
Gain on Sale of Capital Assets	0	0	0	0
<i>Total Business-Type Activities</i>	120,893	123,752	181,705	194,489
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	14,824,093	14,174,010	14,618,157	14,510,616
<i>Transfers</i>				
Governmental Activities	(14,352)	(14,189)	(20,829)	(25,443)
Business-Type Activities	14,352	14,189	20,829	25,443
<i>Change in Net Position</i>				
Governmental Activities	(1,215,652)	(2,096,637)	(163,497)	(790,616)
Business-Type Activities	(483,986)	(649,296)	468,754	483,594
<i>Total Primary Government Change in Net Position</i>	(\$1,699,638)	(\$2,745,933)	\$305,257	(\$307,022)

2015	2016	2017	2018	2019	2020
\$861,079	\$884,981	\$900,267	\$971,274	\$971,603	\$1,076,509
215,431	213,818	217,816	233,800	235,310	259,542
9,800,131	10,935,510	11,148,015	11,676,147	11,834,517	12,300,819
732,147	2,176,293	2,215,346	2,329,437	2,370,531	2,457,963
533,036	565,307	558,768	584,169	586,337	615,181
915,798	938,664	930,366	973,611	977,219	1,025,298
290,727	304,959	375,388	307,338	407,401	188,951
741,609	860,806	875,632	1,148,782	677,305	842,806
0	0	0	0	0	1,000
14,841	49,563	82,206	195,099	300,227	154,421
706,066	873,248	1,278,970	1,079,252	1,223,546	1,728,278
0	13,318	0	0	0	15,826
14,810,865	17,816,467	18,582,774	19,498,909	19,583,996	20,666,594
4	0	0	0	0	0
158,380	218,022	187,608	223,403	200,029	361,941
0	0	0	30,900	0	4,840
158,384	218,022	187,608	254,303	200,029	366,781
14,969,249	18,034,489	18,770,382	19,753,212	19,784,025	21,033,375
(11,832)	(28,534)	(35,579)	(28,642)	(28,649)	(30,000)
11,832	28,534	35,579	28,642	28,649	30,000
(1,515,231)	(2,100,648)	(1,473,268)	(3,578,877)	6,577,640	1,042,588
697,556	340,511	(169,858)	(23,434)	(894,676)	98,606
(\$817,675)	(\$1,760,137)	(\$1,643,126)	(\$3,602,311)	\$5,682,964	\$1,141,194

City of Chillicothe, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
General Fund				
Nonspendable	\$252,251	\$261,459	\$258,593	\$248,463
Committed	159,667	110,387	114,900	87,271
Assigned	46,264	14,607	0	0
Unassigned (Deficit)	1,334,086	(520,457)	1,703,062	1,948,943
Total General Fund	1,792,268	(134,004)	2,076,555	2,284,677
All Other Governmental Funds				
Nonspendable	44,927	53,611	90,404	110,275
Restricted	1,636,977	1,202,380	2,409,387	2,203,639
Assigned	5,765	5,765	5,765	5,765
Unassigned (Deficit)	(2,216,810)	(2,695,504)	(115,987)	(52,204)
Total All Other Governmental Funds	(529,141)	(1,433,748)	2,389,569	2,267,475
Total Governmental Funds	<u>\$1,263,127</u>	<u>(\$1,567,752)</u>	<u>\$4,466,124</u>	<u>\$4,552,152</u>

2015	2016	2017	2018	2019	2020
\$261,226	\$255,045	\$274,376	\$508,499	\$473,492	\$481,612
51,286	34,567	45,329	54,278	145,715	66,749
0	18,453	14,853	11,420	131,006	50,034
2,663,924	3,369,441	4,975,561	4,256,839	4,335,761	5,060,523
2,976,436	3,677,506	5,310,119	4,831,036	5,085,974	5,658,918
90,886	78,331	58,844	178,409	211,833	187,859
2,356,673	4,493,423	5,919,152	5,096,903	4,662,336	6,591,541
5,765	5,765	5,765	5,765	5,765	5,765
(415,703)	0	0	0	0	0
2,037,621	4,577,519	5,983,761	5,281,077	4,879,934	6,785,165
\$5,014,057	\$8,255,025	\$11,293,880	\$10,112,113	\$9,965,908	\$12,444,083

City of Chillicothe, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
Revenues				
Property Taxes	\$1,132,782	\$1,088,740	\$1,115,022	\$1,075,485
Municipal Income Taxes	10,526,861	10,851,650	11,177,609	11,303,794
Other Taxes	207,975	238,930	243,520	262,223
Special Assessments	34,087	7,558	13,150	3,752
Charges for Services	3,957,405	3,997,022	4,501,048	5,255,945
Fines, Licenses and Permits	1,658,779	1,631,754	1,525,476	1,734,819
Intergovernmental	6,682,596	5,175,386	5,827,097	3,465,617
Investment Earnings	50,035	31,662	16,768	17,177
Contributions and Donations	0	0	0	0
Other	437,117	647,058	702,684	767,139
<i>Total Revenues</i>	<i>24,687,637</i>	<i>23,669,760</i>	<i>25,122,374</i>	<i>23,885,951</i>
Expenditures				
<i>Current:</i>				
General Government	5,604,348	5,766,533	5,449,967	5,202,316
<i>Security of Persons and Property:</i>				
Police	5,332,157	5,437,570	4,983,010	5,072,888
Fire	5,091,470	5,360,909	5,096,719	5,171,591
Public Health	0	0	0	0
Leisure Time Activities	746,962	740,641	492,124	613,047
Community Environment	1,163,349	619,530	525,336	299,055
Basic Utilities Services	685,053	892,274	756,499	1,101,188
Transportation	4,838,279	4,292,719	5,575,178	5,584,486
Capital Outlay	576,632	3,172,838	445,986	587,718
<i>Debt Service:</i>				
Principal Retirement	264,081	175,691	438,596	388,174
Interest and Fiscal Charges	118,684	116,222	112,800	173,042
Issuance Costs	0	0	156,699	0
<i>Total Expenditures</i>	<i>24,421,015</i>	<i>26,574,927</i>	<i>24,032,914</i>	<i>24,193,505</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>266,622</i>	<i>(2,905,167)</i>	<i>1,089,460</i>	<i>(307,554)</i>
Other Financing Sources (Uses)				
Transfers In	2,503,682	1,965,487	2,396,777	1,610,036
Refunding Bonds Issues	0	0	4,850,000	0
Issuance of General Obligation Bonds	0	0	0	0
Premium on Debt Issued	0	0	31,481	0
Issuance of Lease-Purchase Agreement	0	0	0	0
Issuance of Notes	0	0	0	300,000
Proceeds from Loan	0	0	0	100,000
Proceeds from Sale of Capital Assets	0	25,832	41,696	0
Inception of Capital Lease	209,155	62,645	42,068	19,025
Transfers Out	(2,518,034)	(1,979,676)	(2,417,606)	(1,635,479)
<i>Total Other Financing Sources (Uses)</i>	<i>194,803</i>	<i>74,288</i>	<i>4,944,416</i>	<i>393,582</i>
<i>Net Change in Fund Balances</i>	<i>\$461,425</i>	<i>(\$2,830,879)</i>	<i>\$6,033,876</i>	<i>\$86,028</i>
 Debt Service as a Percentage of Noncapital Expenditures	 1.6%	 1.3%	 2.5%	 2.5%

2015	2016	2017	2018	2019	2020
\$1,077,820	\$1,088,547	\$1,130,743	\$1,197,651	\$1,203,759	\$1,295,297
12,109,853	14,148,768	15,173,267	15,424,214	16,170,025	15,782,117
290,727	304,959	375,388	307,338	407,401	186,925
5,863	11,566	30,676	20,615	2,046	21,001
5,423,454	5,138,328	5,555,170	7,862,987	9,123,404	6,928,411
1,844,592	1,917,514	1,990,345	3,908,580	1,158,374	1,510,481
4,237,598	3,531,008	3,765,473	4,277,837	4,521,163	7,418,390
14,841	49,563	82,206	195,099	300,244	154,558
0	26,900	1,310	14,567	85,369	26,000
701,553	877,828	1,278,970	1,079,252	1,223,546	1,715,946
25,706,301	27,094,981	29,383,548	34,288,140	34,195,331	35,039,126
5,483,348	5,589,191	5,941,369	6,414,195	6,882,988	5,376,220
4,888,702	5,514,183	5,675,008	6,074,087	7,447,345	6,333,217
4,923,945	5,194,391	5,584,702	5,742,723	6,187,289	6,286,349
0	0	0	0	0	37,500
618,742	690,016	738,995	780,745	821,085	687,027
146,428	94,711	121,045	45,526	472,525	788,578
907,781	929,540	904,387	1,731,054	1,038,883	1,297,758
6,718,751	7,495,984	7,618,673	9,775,658	10,895,234	7,616,845
985,259	1,145,498	926,172	1,106,668	1,032,446	2,647,251
728,014	576,503	972,143	1,204,417	1,254,179	3,999,091
181,383	189,523	315,508	311,543	269,019	307,433
6,928	71,950	61,187	0	16,031	80,085
25,589,281	27,491,490	28,859,189	33,186,616	36,317,024	35,457,354
117,020	(396,509)	524,359	1,101,524	(2,121,693)	(418,228)
1,691,615	1,342,353	1,398,490	1,644,833	2,119,601	1,375,665
0	0	0	0	0	2,785,000
260,000	3,436,417	2,065,000	297,889	1,391,000	0
5,234	102,175	69,187	0	112,440	117,063
0	0	0	0	495,500	0
0	0	0	0	0	0
0	0	0	0	0	0
16,559	40,128	650	85,844	5,197	15,826
74,924	87,291	415,238	3,025	0	8,514
(1,703,447)	(1,370,887)	(1,434,069)	(1,673,475)	(2,148,250)	(1,405,665)
344,885	3,637,477	2,514,496	358,116	1,975,488	2,896,403
\$461,905	\$3,240,968	\$3,038,855	\$1,459,640	(\$146,205)	\$2,478,175
3.8%	3.3%	4.9%	5.0%	4.6%	13.1%

City of Chillicothe, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value		Public Utility	
	Residential/Agricultural/ Commercial/Industrial	Estimated Actual Value	Assessed Value	Estimated Actual Value
2011	\$390,798,540	\$1,116,567,257	\$18,993,540	\$21,583,568
2012	383,333,450	1,095,238,429	20,775,130	23,608,102
2013	382,797,100	1,093,706,000	21,039,510	23,908,534
2014	373,143,320	1,066,123,771	22,222,520	25,252,864
2015	367,212,160	1,049,177,600	22,622,080	25,706,909
2016	372,366,600	1,063,904,571	23,142,100	26,297,841
2017	387,403,970	1,106,868,486	22,280,280	25,318,500
2018	394,846,980	1,128,134,229	31,781,860	36,115,750
2019	397,997,130	1,137,134,657	36,030,330	40,943,557
2020	424,684,890	1,213,385,400	35,919,580	40,817,705

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.

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 a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Rate
\$409,792,080	\$1,138,150,825	36.01%	3.20
404,108,580	1,118,846,531	36.12%	3.20
403,836,610	1,117,614,534	36.13%	3.20
395,365,840	1,091,376,635	36.23%	3.20
389,834,240	1,074,884,509	36.27%	3.20
395,508,700	1,090,202,412	36.28%	3.20
409,684,250	1,132,186,986	36.19%	3.20
426,628,840	1,164,249,979	36.64%	3.20
434,027,460	1,178,078,214	36.84%	3.20
460,604,470	1,254,203,105	36.72%	3.20

City of Chillicothe, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Tax Rate:										
<i>City of Chillicothe Millage</i>										
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>
Overlapping Rates by Taxing District:										
<i>Ross County Millage</i>										
Operating	12.50	12.50	12.50	12.50	12.50	12.80	12.70	13.70	13.70	14.20
<i>Total County Millage</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>	<i>13.70</i>	<i>14.20</i>
<i>Chillicothe City School District Millage</i>										
Operating	46.20	46.20	46.20	53.30	53.40	50.20	50.10	49.90	46.20	46.20
Debt Service	4.80	4.80	4.80	5.80	5.80	8.79	7.90	7.90	7.40	7.00
<i>Total School Millage</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>	<i>53.60</i>	<i>53.20</i>
<i>Other Millage</i>										
Operating	5.80	5.80	5.80	5.80	5.80	6.30	6.70	6.30	6.30	6.30
<i>Total Other Millage</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>6.30</i>	<i>6.30</i>
<i>Total Direct and Overlapping Millage</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>	<i>76.80</i>	<i>76.90</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.

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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)
2011	\$1,272,921	\$1,210,720	95.11%	\$51,912
2012	1,253,115	1,205,570	96.21%	28,702
2013	1,252,173	1,215,108	97.04%	29,323
2014	1,224,221	1,174,894	95.97%	28,692
2015	1,205,250	1,175,627	97.54%	34,804
2016	1,228,868	1,186,274	96.53%	44,329
2017	1,275,881	1,224,152	95.95%	49,437
2018	1,333,292	1,284,296	96.33%	56,811
2019	1,353,155	1,300,862	96.14%	46,842
2020	1,435,683	1,377,419	95.94%	40,557

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.

Total Tax Collections (2)	Percent of Total Tax Collections To Tax Levy	Total Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
\$1,262,632	99.19%	\$41,513	3.26%
1,234,272	98.50%	44,015	3.51%
1,244,431	99.38%	38,815	3.10%
1,203,586	98.31%	50,917	4.16%
1,210,431	100.43%	50,212	4.17%
1,230,603	100.14%	60,414	4.92%
1,273,589	99.82%	47,670	3.74%
1,341,107	100.59%	55,005	4.13%
1,347,704	99.60%	58,160	4.30%
1,417,976	98.77%	73,793	5.14%

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate and PU-PP Tax
2020 and 2011

2020		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$30,749,540	6.68%
Chillicothe TK Owner LLC	6,186,230	1.34%
Columbia Gas of Ohio	5,112,990	1.11%
Chillicothe Mall	4,176,010	0.91%
Menards, Inc.	2,880,500	0.63%
Central Center, LLC	2,697,280	0.59%
Zane Plaza LLC	2,441,160	0.53%
Sam's Real Estate Business	2,221,940	0.48%
National Church Residences	2,099,430	0.46%
Rural King Realty, LLC	1,645,000	0.36%
Total	\$60,210,080	13.09%
Total Assessed Valuation	\$460,604,470	

2011		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$18,159,650	4.43%
Columbus Southern Power	17,109,340	4.18%
Chillicothe Mall Inc.	4,220,620	1.03%
DDR Chillicothe LLC	4,053,210	0.99%
Central Center LTD	3,111,480	0.76%
Sam's Real Estate Business	2,629,020	0.64%
Zane Plaza LLC	2,434,090	0.59%
Chillicothe Telephone	2,320,830	0.57%
K-Mart Corporation	2,311,240	0.56%
Pittsburgh Glass Works LLC	2,100,000	0.51%
Total	\$58,449,480	14.26%
Total Assessed Valuation	\$409,792,080	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2020 and 2011 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
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%
2019	2.00%	15,777,897	12,484,864	79.13%	1,997,316	12.66%	1,295,717	8.21%
2020	2.00%	16,123,685	12,591,360	78.09%	2,198,494	13.63%	1,333,831	8.27%

Source: City Income Tax Department

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

City of Chillicothe, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Governmental Activities					
Year	General Obligation Bonds	OPWC Loans	Long Term Notes	Loans	Capital Leases
2011	\$450,000	\$37,838	\$0	\$0	\$270,679
2012	355,000	25,225	0	0	258,451
2013	4,850,000	12,613	0	0	223,699
2014	4,550,000	0	300,000	100,000	167,163
2015	4,523,209	0	0	75,000	154,073
2016	7,604,636	0	0	50,000	136,767
2017	8,894,053	0	0	25,000	423,454
2018	8,110,851	0	0	0	301,892
2019	8,425,997	0	0	0	705,245
2020	7,490,730	0	0	0	516,053

Source: City Auditor's Office

Business-Type Activities						
General Obligation Bonds	Mortgage Revenue Bonds	Long Term Notes	Capital Leases	Total Debt	Percentage of Personal Income	Per Capita
\$1,415,000	\$3,520,000	\$0	\$0	\$5,693,517	1.22%	\$260
1,320,000	2,390,000	2,441,000	0	6,789,676	1.45%	310
1,670,000	1,215,000	2,441,000	15,011	10,427,323	2.23%	476
1,150,000	0	2,441,000	11,939	8,720,102	1.83%	398
3,231,255	0	0	8,644	7,992,181	1.64%	368
2,685,493	0	0	5,415	10,482,311	2.08%	479
2,134,732	0	0	1,323	11,478,562	2.29%	534
1,578,971	0	0	0	9,991,714	1.99%	456
1,828,967	0	0	5,628	10,965,837	2.00%	505
1,227,856	0	0	4,734	9,239,373	1.80%	425

City of Chillicothe, Ohio
*Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt per Capita
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	1,132,186,986	11,028,785	0.97%	513
2018	21,901	1,164,249,979	9,689,822	0.83%	442
2019	21,717	1,178,078,214	10,254,964	0.87%	472
2020	21,722	1,254,203,105	8,718,586	0.70%	401

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, 2020

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Chillicothe			
Capital Leases	\$516,053	100.00%	\$516,053
General Obligation Bonds	<u>7,490,730</u>	100.00%	<u>7,490,730</u>
<i>Total Direct Debt</i>	<u>8,006,783</u>		<u>8,006,783</u>
Overlapping			
Ross County	11,434,152	30.90%	3,533,153
Chillicothe City Schools	34,671,876	91.61%	31,762,906
Union-Scioto Local Schools	471,284	18.15%	85,538
Southeastern Local Schools	546,013	1.57%	8,572
Scioto Township	363,972	82.76%	301,223
Springfield Township	<u>56,891</u>	3.95%	<u>2,247</u>
<i>Total Overlapping Debt</i>	<u>47,544,188</u>		<u>35,693,639</u>
<i>Total</i>	<u><u>\$55,550,971</u></u>		<u><u>\$43,700,422</u></u>

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

	2011	2012	2013	2014
Total Assessed Property Value	\$409,792,080	\$404,108,580	\$403,836,610	\$395,365,840
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	\$43,028,168	\$42,431,401	\$42,402,844	\$41,513,413
Debt Outstanding:				
General Obligation Bonds	450,000	355,000	4,850,000	4,550,000
General Obligation Bonds - Enterprise	1,415,000	1,320,000	1,670,000	1,150,000
General Obligation Revenue Bonds	3,520,000	2,390,000	1,215,000	0
OPWC Loans	37,838	25,225	12,613	0
Loan Payable	0	0	0	100,000
Notes Payable	8,341,000	7,681,000	2,441,000	2,741,000
Total Gross Indebtedness	13,763,838	11,771,225	10,188,613	8,541,000
Less:				
Notes Payable from Governmental Fund Revenues	5,100,000	4,640,000	0	300,000
Notes Payable from Enterprise Fund Revenues	3,241,000	3,041,000	2,441,000	2,441,000
Revenue Bonds Payable from Enterprise Fund Revenues	3,520,000	2,390,000	1,215,000	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,415,000	1,320,000	1,670,000	1,150,000
OPWC Loan Payable from Governmental Fund Revenues	37,838	25,225	12,613	0
Loan Payable from Governmental Fund Revenues	0	0	0	100,000
Bond Retirement Fund Balance	16,646	16,646	16,646	16,646
Total Net Debt Applicable to Debt Limit	433,354	338,354	4,833,354	4,533,354
Legal Debt Margin Within 10 1/2% Limitations	\$42,594,814	\$42,093,047	\$37,569,490	\$36,980,059
Legal Debt Margin as a Percentage of the Debt Limit	98.99%	99.20%	88.60%	89.08%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	\$22,538,564	\$22,225,972	\$22,211,014	\$21,745,121
Total Gross Indebtedness	13,763,838	11,771,225	10,188,613	8,541,000
Less:				
Notes Payable from Governmental Fund Revenues	5,100,000	4,640,000	0	300,000
Notes Payable from Enterprise Fund Revenues	3,241,000	3,041,000	2,441,000	2,441,000
Revenue Bonds Payable from Enterprise Fund Revenues	3,520,000	2,390,000	1,215,000	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,415,000	1,320,000	1,670,000	1,150,000
OPWC Loan Payable from Governmental Fund Revenues	37,838	25,225	12,613	0
Loan Payable from Governmental Fund Revenues	0	0	0	100,000
Bond Retirement Fund Balance	16,646	16,646	16,646	16,646
Net Debt Within 5 1/2% Limitations	433,354	338,354	4,833,354	4,533,354
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$22,105,210	\$21,887,618	\$17,377,660	\$17,211,767
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	98.08%	98.48%	78.24%	79.15%

Source: City Financial Records

2015	2016	2017	2018	2019	2020
\$389,834,240	\$395,508,700	\$409,684,250	\$426,628,840	\$434,027,460	\$460,604,470
\$40,932,595	\$41,528,414	\$43,016,846	\$44,796,028	\$45,572,883	\$48,363,469
4,495,000	7,479,813	8,715,822	7,958,881	8,187,848	7,168,733
3,170,000	2,635,000	2,095,000	1,550,000	1,749,000	1,150,000
0	0	0	0	0	0
0	0	0	0	0	0
75,000	50,000	25,000	0	0	0
0	0	0	0	0	2,140,000
7,740,000	10,164,813	10,835,822	9,508,881	9,936,848	10,458,733
0	0	0	0	0	0
0	0	0	0	0	2,140,000
0	0	0	0	0	0
3,170,000	2,635,000	2,095,000	1,550,000	1,749,000	1,150,000
0	0	0	0	0	0
75,000	50,000	25,000	0	0	0
16,646	16,646	16,646	110,707	232,642	228,332
4,478,354	7,463,167	8,699,176	7,848,174	7,955,206	6,940,401
\$36,454,241	\$34,065,247	\$34,317,670	\$36,947,854	\$37,617,677	\$41,423,068
89.06%	82.03%	79.78%	82.48%	82.54%	85.65%
\$21,440,883	\$21,752,979	\$22,532,634	\$23,464,586	\$23,871,510	\$25,333,246
7,740,000	10,164,813	10,835,822	9,508,881	9,936,848	10,458,733
0	0	0	0	0	0
0	0	0	0	0	2,140,000
0	0	0	0	0	0
3,170,000	2,635,000	2,095,000	1,550,000	1,749,000	1,150,000
0	0	0	0	0	0
75,000	50,000	25,000	0	0	0
16,646	16,646	16,646	110,707	232,642	228,332
4,478,354	7,463,167	8,699,176	7,848,174	7,955,206	6,940,401
\$16,962,529	\$14,289,812	\$13,833,458	\$15,616,412	\$15,916,304	\$18,392,845
79.11%	65.69%	61.39%	66.55%	66.67%	72.60%

City of Chillicothe, Ohio
Pledged Revenue Coverage
Water System Mortgage Revenue Bonds
Last Ten Years

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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
2019	4,382,532	4,027,662	354,870	0	0	0.00
2020	4,707,309	4,057,421	649,888	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)
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
2019	21,717	549,374,949	25,297	41.6	3,213	4.5%	434,027,460
2020	21,722	514,388,787	27,066	41.6	2,853	4.1%	460,604,470

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.
- (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

2020			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Pixelle Paper Company	Paper Industry	1,078	14.91%
Ross County	County Government	626	8.66%
Wal-Mart	Retail	905	12.51%
Ohio University-Chillicothe	College Campus	472	6.53%
Chillicothe City Schools	Education	620	8.57%
Menards	Retail	235	3.25%
City of Chillicothe	City Government	290	4.01%
Lowe's	Retail	254	3.51%
Horizon Family of Companies	Communications	120	1.66%
Charter Communications	Cable TV/Internet	133	1.84%
Total		<u>4,733</u>	<u>65.45%</u>
Total Employment Within the City		<u>7,232</u>	<u>100.00%</u>

2011			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,369	4.55%
Wal-Mart	Retail	846	2.81%
Chillicothe City Schools	Education	732	2.43%
Ross County	County Government	698	2.32%
Ohio University-Chillicothe	College Campus	575	1.91%
City of Chillicothe	City Government	385	1.28%
Horizon Family of Companies	Communications	210	0.70%
Lowe's	Retail	202	0.67%
Time Warner	Cable TV/Internet	106	0.35%
American Electric Power	Utility Center	15	0.05%
Total		<u>5,138</u>	<u>17.07%</u>
Total Employment Within the City		<u>30,100</u>	<u>100.00%</u>

Source: City Income Tax Department (number of employees obtained from W2s).

City of Chillicothe, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	1	2
Engineering Vehicles	9	9	9	9	8	7	3	6	3	3
Municipal Court Vehicles	2	2	2	2	3	4	2	3	3	3
Service Department Vehicles	34	35	34	36	40	43	42	34	37	34
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Building	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392
Vehicles	33	33	34	32	38	39	31	39	35	30
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	28	28	27	26	26	19	20	15	15
Recreation										
Number of Parks	13	13	13	13	13	13	13	13	14	14
Number of Pools	1	1	1	1	1	1	1	1	3	3
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	6	6	6	6
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	21	22	22	23	25	25	26	20	25	25
Volleyball Courts	0	0	0	0	0	0	3	3	3	6
Floodwall										
Miles	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5
Transportation										
Square Footage of Building	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855
Vehicles	23	16	20	20	24	23	25	25	22	31
Water Department										
Water Lines (miles)	136	136	136	136	136	136	137	137	137	137
Vehicles	21	19	19	19	21	21	16	18	18	19
Sewer Department										
Sewer Lines/Storm Sewer (miles)	105	105	106	106	106	106	106	106	106	106
Vehicles	29	25	26	26	14	14	21	22	22	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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Council	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Auditor	4.5	4.5	4.5	4.5	4.5	5	4.5	3.5	5	5
Income Tax	3	2	2	3	3	3	3	3	3	2
Treasurer	1	1	1	1	1	1	1	1	0.5	0.5
Mayor	4.5	4.5	4.5	3.5	3.5	3.5	4	4	5	4.5
Law Director	5.5	6	5	5	5	6	6	6	6	6
Engineering	6	6	6	6	5	5	5.5	6	6	5
Civil Service	2.5	2.5	2.5	0	0	1.5	1.5	0	0	0
Municipal Court	23	21.5	23	19	22	22	20.5	20.5	22.5	22.5
Security of Persons and Property										
Police	51	50.5	48	44	46	53	53	57	56	49
Fire	47	47	44	43	39	43	45	49	49	49
School Crossing Guards	0	0	0	0	0	0	0	0	0	0
Traffic Control-Meters	0	0	0	0	0	1	1	1	1	1
Leisure Time Activities										
Parks	4	4	1	1	1.5	3	3	3.5	6.5	6
Recreation	3	3	3	5	3.5	4	5	3.5	0	0
Transportation										
Service	20	20	18	17	17	14	24	24.5	23	44.5
Transit	23	23	31	30.5	31	33	41	34.5	33.5	31
Basic Utility Services										
Water	28.5	28	27	26.5	26	26.5	25.5	27	23	19
Sewer	17	16.5	16	15	16	15	15	16	20	24
Totals:	249	245.5	242	229.5	229.5	245	264	265.5	265.5	274.5

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.

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City of Chillicothe, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2011	2012	2013
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	125	103	107
Number of Resolutions Passed	20	22	19
Number of Planning Commission Docket Items	10	12	13
Zoning Board of Appeals Docket Items	20	21	19
Design and Review Board Docket Items	32	37	41
<i>Finance Department</i>			
Number of Checks/Vouchers Issued	5,197	5,482	4,853
Amount of Checks Written	\$38,000,816	\$43,661,426	\$44,504,621
Interest Earnings for fiscal year (cash basis)	\$54,710	\$34,509	\$17,995
Number of Receipts Issued	2,194	2,049	2,047
Agency Ratings - Moody's Financial Services	A2	A2	A2
General Fund Receipts (cash basis)	\$18,270,177	\$17,611,705	\$18,020,422
General Fund Expenditures (cash basis)	\$18,494,994	\$20,203,210	\$18,698,612
General Fund Cash Balances	\$2,772,711	\$1,022,988	\$1,191,040
<i>Income Tax Department</i>			
Number of Individual Returns	12,665	8,180	7,116
Amount of Business Returns	2,888	2,338	2,177
Number of Business Withholding Accounts	1,968	2,087	2,206
Amount of Penalties and Interest Collected	\$49,456	\$45,888	\$34,077
Annual Number of Corporate Withholding Forms Processed	11,835	11,937	11,877
Annual Number of Balance Due Statements Forms Processed	1,683	1,662	1,562
Annual Number of Estimated Payment Forms Processed	2,053	2,094	1,823
Annual Number of Reconciliations of Withholding Processed	1,526	1,360	1,658
<i>Engineering Department</i>			
Dollar Amount of Construction Overseen by Engineer	\$700,000	\$500,000	\$1,500,000
<i>Municipal Court</i>			
Number of Civil Cases	1,634	1,698	1,384
Amount of Criminal Cases	4,110	3,590	3,737
Amount of Traffic Cases	9,023	10,014	8,500
Amount of Small Claims Cases	146	155	142

Source: Departments of the City of Chillicothe

2014	2015	2016	2017	2018	2019	2020
115	133	95	115	115	117	111
16	16	17	28	14	17	21
12	12	16	13	16	17	12
9	18	21	18	36	2	35
35	40	49	32	38	1	45
5,144	5,289	4,798	5,221	5,138	5,117	4,413
\$34,821,093	\$34,912,698	\$29,655,614	\$29,523,145	\$31,016,337	\$34,277,502	\$34,757,308
\$16,882	\$15,131	\$46,212	\$56,528	\$155,123	\$224,871	\$171,107
2,398	2,325	2,216	3,054	2,819	2,858	2,333
A2	A2	A2	A2	A2	A2	A2
\$16,173,260	\$16,385,326	\$18,509,640	\$19,797,937	\$19,910,249	\$21,997,479	\$22,152,856
\$16,583,845	\$16,002,738	\$17,918,806	\$18,218,572	\$20,592,475	\$22,269,346	\$21,647,982
\$1,144,727	\$1,770,329	\$2,010,718	\$2,667,376	\$2,926,904	\$2,655,036	\$4,620,058
5,979	6,489	6,251	6,383	6,984	6,870	6,053
1,899	2,022	2,082	1,982	2,094	2,043	1,990
2,127	2,086	2,239	2,224	2,422	2,498	2,119
\$61,556	\$119,010	\$69,032	\$78,576	\$94,785	\$122,118	\$83,617
11,941	13,190	16,614	16,344	16,188	16,604	17,353
1,403	1,658	1,356	1,528	1,499	1,309	1,270
1,378	1,576	1,696	1,502	1,427	1,642	1,457
1,698	1,732	1,821	1,981	1,926	1,840	2,020
\$1,200,000	\$1,200,000	\$1,200,000	\$1,893,070	\$1,101,149	\$1,868,803	\$1,542,231
1,292	1,311	1,392	1,793	2,161	2,141	1,489
3,348	3,082	3,853	4,228	4,302	4,333	3,093
9,617	9,267	9,934	9,547	7,926	7,269	6,239
256	274	244	270	263	191	167

(continued)

City of Chillicothe, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2011	2012	2013
<i>Civil Service</i>			
Number of Police Entry Tests Administered	0	56	0
Number of Fire Entry Tests Administered	66	0	0
Number of Police Promotional Tests Administered	5	4	0
Number of Fire Promotional Tests Administered	16	0	14
Number of Hires of Police Officers from Certified Lists	4	2	0
Number of Hires of Fire/Medics Officers from Certified Lists	8	6	0
Number of Promotions from Police Certified Lists	1	2	0
Number of Promotions from Fire Certified Lists	6	2	4
<i>Building Department Indicators</i>			
Construction Permits Issued	8	10	8
Estimated Value of Construction	\$12,635,438	\$22,245,181	\$2,139,000
Number of Permits Issued	867	1,099	902
Amount of Revenue Generated from Permits	\$117,985	\$123,461	\$141,653
Number of Contractor Registrations Issued	374	270	190
Revenue Generated from Above	\$1,970	\$13,500	\$3,291
<i>Police Department</i>			
Total Calls for Service	24,429	25,457	23,047
Number of Traffic Citations Issued	3,144	3,277	2,346
Number of Parking Citations Issued	N/A	N/A	N/A
Number of Criminal Arrests	2,808	3,414	3,130
Number of Accident Reports Completed	916	1,189	1,225
DUI Arrests	101	97	101
Prisoner costs for room and board	\$0	\$0	\$0
Motor Vehicle Accidents	710	843	858
Property Damage Accidents	366	346	367
Fatalities from Motor Vehicle Accidents	1	3	0
Gasoline Costs of Fleet	\$115,574	\$124,490	\$112,069
DARE Program hours	1,680	1,600	1,600
<i>Fire Department</i>			
EMS Calls	5,407	5,079	4,618
Ambulance Billing Collections (net)	\$1,224,578	\$1,105,372	\$1,120,547
Fire Calls	823	796	704
Fires with Loss	54	42	42
Fires with Losses Exceeding \$10K	16	19	15
Fire Losses \$	\$628,110	\$2,383,260	\$379,250
Fire Safety Inspections	75	220	400 plus
Number of Times Mutual Aid Given to Fire	0	1	4
Number of Times Mutual Aid Received for Fire	0	0	1
Number of Injuries Requiring Medical Attention	7	7	2
Fatalities Due to Fire	0	0	0

Source: Departments of the City of Chillicothe

2014	2015	2016	2017	2018	2019	2020
71	1	0	110	0	1	44
0	1	0	43	0	0	29
10	3	0	5	0	0	5
0	2	0	0	8	0	2
2	7	8	1	3	1	4
2	2	3	0	5	1	2
1	4	0	0	0	0	3
2	1	2	0	2	3	2
12	11	16	6	7	19	20
\$2,430,567	\$2,007,034	\$3,678,195	\$1,885,000	\$1,955,994	\$5,002,821	\$97,584
798	857	742	681	412	469	428
\$179,793	\$194,320	\$198,007	\$246,735	\$38,865	\$45,238	\$39,496
300	297	350	185	260	313	320
\$5,701	\$4,432	\$3,500	\$18,500	\$26,000	\$15,381	\$32,000
23,245	24,557	27,700	28,304	29,802	28,433	26,338
2,465	1,978	2,795	3,070	3,255	2,375	1,332
N/A	N/A	517	2,075	282	733	553
2,941	2,984	4,064	5,092	5,098	5,497	2,379
1,375	1,289	1,262	1,147	1,095	1,122	1,194
85	97	183	139	141	132	67
\$0	\$0	\$0	\$0	\$0	\$0	\$0
1,006	896	958	891	886	891	882
369	393	304	256	209	231	312
0	1	1	0	0	0	1
\$107,862	\$53,367	\$51,510	\$69,487	\$83,286	\$82,073	\$0
1,600	1,600	1,600	1,600	1,700	1,700	1,500
4,893	4,866	5,316	5,399	5,737	5,920	5,457
\$1,127,057	\$994,663	\$1,035,755	\$1,079,703	\$1,042,483	\$1,080,824	\$992,139
692	840	997	919	927	844	1,077
29	39	69	62	61	47	46
8	11	13	14	14	22	9
\$393,201	\$515,667	\$696,453	\$550,870	\$1,067,371	\$1,321,350	\$277,050
515	500	673	538	993	1,378	739
0	4	11	21	3	3	3
1	5	2	3	9	12	8
2	1	3	1	5	4	1
0	0	0	2	0	1	0

(continued)

City of Chillicothe, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2011	2012	2013
Leisure Time Activities			
<i>Recreation Department</i>			
Recreation Swimming Pool Receipts	\$62,176	\$58,019	\$61,131
Recreation Mens, Women and Chillicothe Leagues Receipts	\$24,775	\$0	\$0
Number of Tree License Issues	17	0	8
Amount of Revenue from Tree License	\$425	\$0	\$200
Total Acreage all Parks	876	876	876
Transportation			
<i>Street Construction & State Highway</i>			
Street Sweeper (hours)	900	0	950
Cold Patch (hours)	2,000	0	1,800
Snow and Ice Removal (regular hours)	150	221	215
Snow and Ice Removal (overtime hours)	332	0	350
Leaf Collection (hours)	2,000	0	3,000
Downtown Square Repair after Events (hours)	50	0	68
Tons of Snow Melting Salt Purchased (Nov-Mar)	791	642	721
Cost of Salt Purchased	\$50,201	\$40,754	\$33,357
Basic Utility Services			
<i>Refuse Department</i>			
Refuse Disposal per year (in tons) August through July	7,599	7,954	7,895
Refuse Disposal cost per year August through July	\$252,335	\$234,749	\$282,233
<i>Water Department (2)</i>			
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	11.68	11.92	12.40
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	17.54	17.89	18.61
Total Water Collections Annually (including P&I)	\$3,835,549	\$0	\$3,927,993
Number of Active Customers	9,196	0	9,300
<i>WasteWater Department (3)</i>			
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	8.58	8.75	9.11
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	12.84	13.10	13.64
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	1,015.795	874.905	877.677
Tons of Dry Sludge Removed	291.220	337.440	388.859
Wastewater Calls for Service	200	200	250
After Hours Wastewater Calls for Service (hours)	250	250	300
Sewer Jet, Vac-all, other services (hours)	1,500	2,500	3,000

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).

2014	2015	2016	2017	2018	2019	2020
\$71,006	\$61,315	\$77,083	\$87,426	\$82,525	\$78,357	\$0
\$0	\$0	\$4,700	\$1,400	\$9,375	\$1,400	\$2,500
13	13	20	17	16	10	7
\$300	\$325	\$1,425	\$425	\$400	\$250	\$165
876	876	876	876	876	877	877
1,050	900	950	950	800	800	850
2,080	2,000	2,050	2,050	2,400	2,200	2,400
400	850	96	100	856	900	900
375	877	0	100	650	650	126
3,500	3,200	3,300	3,300	3,500	3,500	3,500
75	70	75	80	70	80	75
954	950	240	300	950	930	800
\$66,031	\$79,999	\$11,087	\$19,551	\$43,871	\$40,213	\$34,592
7,548	7,514	7,654	6,799	7,231	7,683	7,713
\$268,151	\$281,235	\$286,413	\$254,407	\$251,642	\$295,027	\$308,520
12.40	12.65	12.65	12.65	12.65	12.65	12.65
18.61	18.99	18.85	18.99	18.99	18.99	18.99
\$4,236,920	\$4,160,214	\$4,407,356	\$4,062,891	\$4,564,948	\$4,224,463	\$4,179,476
9,360	9,417	10,133	9,455	10,318	10,205	10,160
9.11	9.29	9.60	9.60	9.99	10.45	10.39
13.64	13.91	14.37	14.37	15.25	15.64	15.64
874.301	845.500	738.030	718.670	828.050	679.378	852.473
391.840	346.000	373.460	300.060	270.000	270.000	434.850
230	109	204	240	260	250	230
330	142	326	320	340	330	320
3,500	3,000	3,400	3,200	3,400	3,300	3,300