

City of Chillicothe, Ohio Annual Comprehensive Financial Report

For the Year Ended December 31, 2021



Kristal Spetnagel
Chillicothe City Auditor

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City of Chillicothe, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
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CHILlicothe
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL
City Auditor

July 21, 2022

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 Annual Financial Report (AFR) for the City of Chillicothe for the year ended December 31, 2021. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2021. 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 2021 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 Statements No. 39 and 61, the following is a brief definition of the reporting entity. This report includes all funds, agencies, boards, and commissions for which the City is financially accountable. In considering that responsibility, the City must determine whether an entity is fiscally independent of the City and whether it has the ability to significantly influence operations, select the governing authority, designate management, and maintain accountability over fiscal matters of the entity. The reporting entity is discussed in more detail in note 1 of the notes to the basic financial statements.

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 22,059 citizens according to the 2021 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, 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 280 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 2021 was 4.8%.

Other developments of note:

Significant retail development was ongoing throughout the City. During 2021, several new businesses evolved, such as Rural King, Panda Express, Dwell Reality, Gabriel Brothers, Rocas Mexican Grill, and the re-opening of Chillicothe Cinemas. 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. Kenworth Truck Company, has initiated a \$45 million, 105,000 square-foot expansion, as well. 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.

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 Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2020. 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 Annual Comprehensive Financial Report, whose contents conform to program standards. Such ACFR 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 thirty 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 Annual Comprehensive Financial Report for the City of Chillicothe is the 31st 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, reading "Kristal M. Spetnagel". The signature is fluid and cursive, with the first name "Kristal" and last name "Spetnagel" clearly legible.

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Chillicothe, Ohio
Listing of Elected Officials
As of December 31, 2021

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

Terrell Fairrow
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

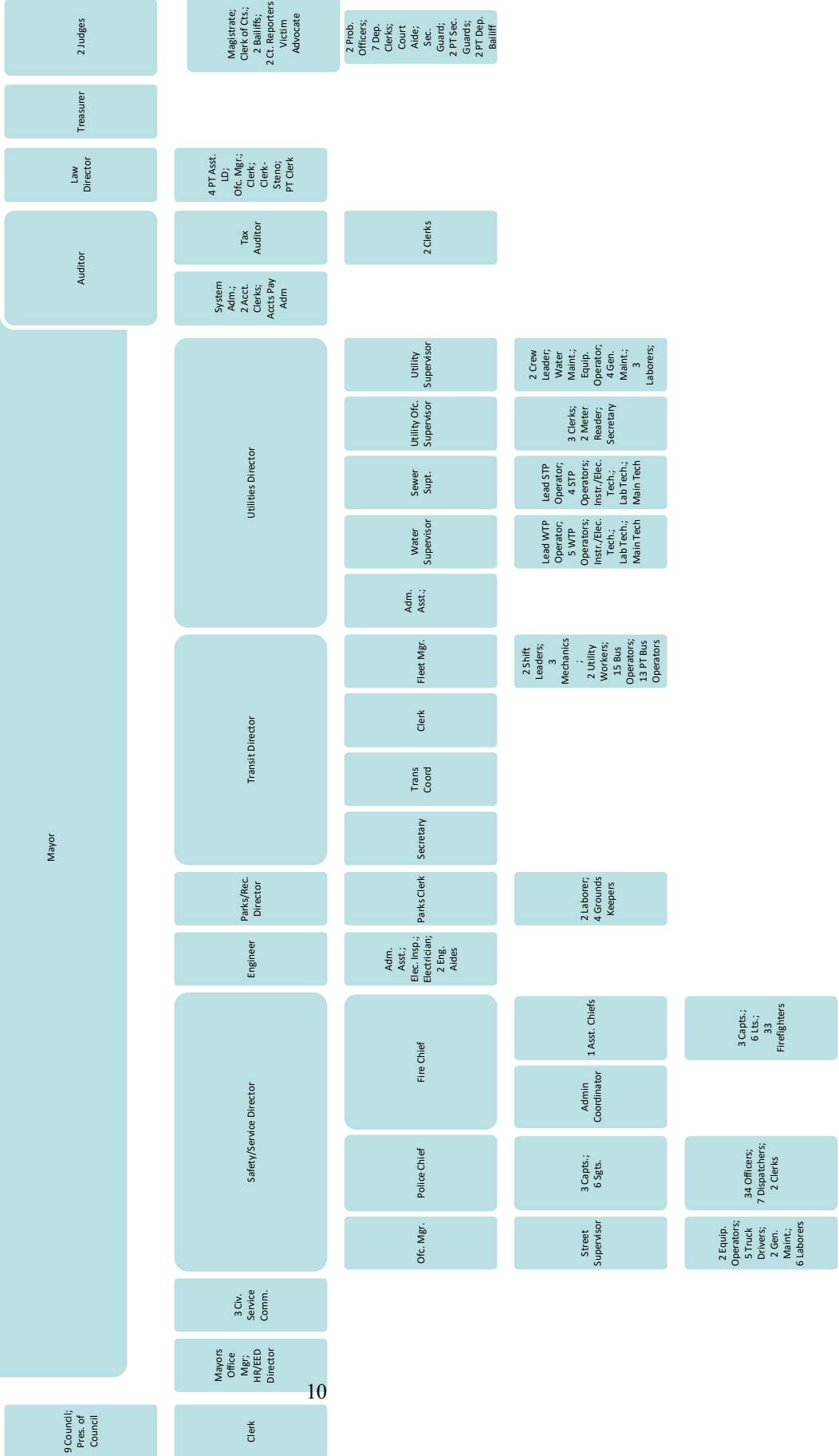
City Treasurer
Jeremy Siberell
Term Expires 12/31/21

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

City of Chillicothe, Ohio
Listing of Appointed Officials
As of December 31, 2021

City Engineer	David Fishel
Utilities Director	David Fishel
Safety/Service Director	Jeffrey Carmen
Parks/Recreation Director	Bill Bonner
Human Resources	Terrill Barnes
Transit Director	Asti Powell
Clerk of Council	Kathy Flechtner
Assistant Law Director	John Judkins
Assistant Law Director	Michele Rout
Assistant Law Director	Jason Miller
Assistant Law Director	Benjamin Sigall

GENERAL PUBLIC



City of Chillicothe, Ohio
City Auditor's Staff
As of December 31, 2021

City Auditor	Kristal Spetnagel
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 the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General, Street Construction Maintenance and Repair, American Rescue Plan Act, and Bus Transit funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 25 to the financial statements, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 (asset) on pages 94 through 97, and the schedules of City contributions on pages 98 and 99 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

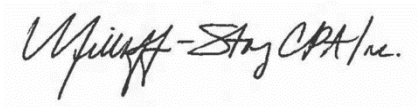
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 21, 2022

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(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, 2021. 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 \$10,439,600; net position of the governmental activities increased \$9,758,749, and net position of the business-type activities increased \$680,851.
- The general fund balance of \$6,891,201 increased \$1,232,283, or 21.78 percent, from the previous year's balance of \$5,658,918. The general fund experienced an increase in the amount of recognizable income taxes, which was offset by a reduction due to only small rebates from the Ohio Bureau of Workers Compensation during the year as compared to the very large rebates received in the prior year, resulting in a decrease in miscellaneous revenues from the prior year. Additionally, in the prior year, the fund paid off a large portion of debt, resulting in higher expenditures in the prior year as compared to this year.

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.

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

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governmental fund statements use the modified accrual basis of accounting and provide a detailed short-term view of its general government operations and the basic services it provides. Governmental fund information may be useful in evaluating a government's near-term financing requirements. We describe the relationship (or differences) between governmental activities (reported in the *statement of net position* and the *statement of activities*) and governmental funds in a reconciliation which follows the fund financial statements.

The City maintains 27 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, American Rescue Plan Act 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. 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 uses enterprise funds to account for its water and sewer operations. 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 internal service funds to account for the fuel purchasing and self-insurance programs of the City. Because these services predominately benefit 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	
	2021	2020*	2021	2020*	2021	2020*
Assets						
Current and Other Assets	\$25,776,679	\$18,067,924	\$10,868,828	\$14,947,499	\$36,645,507	\$33,015,423
Capital Assets, Net	41,177,714	41,853,402	33,924,844	33,755,630	75,102,558	75,609,032
<i>Total Assets</i>	66,954,393	59,921,326	44,793,672	48,703,129	111,748,065	108,624,455
Deferred Outflows	5,960,766	7,443,436	517,078	953,251	6,477,844	8,396,687
Liabilities						
Current and Other Liabilities	3,405,420	2,033,737	316,713	2,736,709	3,722,133	4,770,446
<i>Long-Term Liabilities</i>						
Due Within One Year	1,816,490	1,781,014	430,288	452,149	2,246,778	2,233,163
Other Amounts Due in More Than One Year	8,014,073	7,984,559	1,252,350	1,514,913	9,266,423	9,499,472
Net Pension Liability	23,352,959	26,962,123	2,311,304	3,434,427	25,664,263	30,396,550
Net OPEB Liability	2,750,051	8,287,849	0	2,372,489	2,750,051	10,660,338
<i>Total Liabilities</i>	39,338,993	47,049,282	4,310,655	10,510,687	43,649,648	57,559,969
Deferred Inflows	10,439,165	6,937,228	2,276,936	1,103,385	12,716,101	8,040,613
Net Position						
Net Investment in Capital Assets	34,212,897	33,846,619	33,237,984	31,860,203	67,450,881	65,706,822
<i>Restricted for:</i>						
Debt Service	232,332	228,332	0	4	232,332	228,336
Capital Projects	3,758,796	2,189,035	618,466	618,466	4,377,262	2,807,501
Other Purposes	6,815,941	5,267,943	0	0	6,815,941	5,267,943
<i>Permanent Fund</i>						
Expendable	2,378	2,370	0	0	2,378	2,370
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Unrestricted (Deficit)	(21,886,343)	(28,157,047)	4,866,709	5,563,635	(17,019,634)	(22,593,412)
<i>Total Net Position</i>	\$23,137,001	\$13,378,252	\$38,723,159	\$38,042,308	\$61,860,160	\$51,420,560

*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, 2021 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 \$7,708,755 or 42.67% due to increases in cash and cash equivalents held by the City due to COVID funding received by the City as well as for unspent bond proceeds, in cash and cash equivalents with fiscal agents due to an increase in balances held at the Jefferson Health Plan for the City's self-insurance program, in intergovernmental receivables due to an increase in transit receivables not yet reimbursed by the Ohio Department of Transportation, and in income taxes receivable due to an increase in measurable subsequent collections from the prior year. The City also recognized a net OPEB asset for the year as reported by the Ohio Public Employees Retirement System. Capital assets of the governmental activities decreased \$675,688, or 1.61 percent, due to depreciation expense and disposals exceeding acquisitions. Current and other liabilities increased \$1,371,683 due to the recognition of unearned revenue for the year related to unspent American

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Rescue Plan Act proceeds held at year-end, and due to an increase in claims payable as reported by the Jefferson Health Plan. Long-term liabilities decreased \$9,081,972 as a result of a decrease to the estimates for both the net pension and OPEB liabilities and for principal payments on debt, which was partially offset by an increase due to a new bond issuance during the year.

Current and other assets of business-type activities decreased by \$4,078,671, or 27.29 percent, as a result of a decrease in equity in pooled cash and cash equivalents, resulting from the expenditure of proceeds from a bond anticipation note issued in the prior year in addition to the payoff of that note during the year. Capital assets increased by \$169,214, or 0.50 percent due to acquisitions in excess of depreciation expense and disposals for the year. Current and other liabilities of business-type activities decreased by \$2,419,996, or 88.43 percent, due to the repayment of a bond anticipation note for the sanitary sewer improvement project and reductions in contracts payable related to this project. Long-term liabilities decreased by \$3,780,036 as a result of decreases to the estimates for net pension and OPEB liabilities and for principal payments on debt.

The City's total net position increased from \$51,420,560 at the beginning of the year to \$61,860,160 at the end of the year, a change of \$10,439,600, or 20.30 percent. This increase is the result of an increase in the net position of the governmental activities of \$9,758,749, or 72.94 percent, and an increase in the net position of the business-type activities of \$680,851, or 1.79 percent.

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 2021 and 2020.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$8,419,632	\$8,458,118	\$7,212,607	\$8,539,502	\$15,632,239	\$16,997,620
Operating Grants and Contributions	6,136,936	6,506,612	22,786	0	6,159,722	6,506,612
Capital Grants and Contributions	171,935	0	0	0	171,935	0
<i>Total Program Revenues</i>	<i>14,728,503</i>	<i>14,964,730</i>	<i>7,235,393</i>	<i>8,539,502</i>	<i>21,963,896</i>	<i>23,504,232</i>
<i>General Revenues:</i>						
Property Taxes	1,285,342	1,336,051	0	0	1,285,342	1,336,051
Income and Other Taxes	17,799,645	16,588,212	0	0	17,799,645	16,588,212
Unrestricted Grants and Entitlements	950,315	842,806	0	0	950,315	842,806
Unrestricted Contributions and Donations	19,015	1,000	0	0	19,015	1,000
Investment Earnings	55,972	154,421	0	0	55,972	154,421
Gain on Sale of Capital Assets	36,925	15,826	6,911	4,840	43,836	20,666
Other	324,512	1,728,278	101,287	361,941	425,799	2,090,219
<i>Total General Revenues</i>	<i>20,471,726</i>	<i>20,666,594</i>	<i>108,198</i>	<i>366,781</i>	<i>20,579,924</i>	<i>21,033,375</i>
<i>Total Revenues</i>	<i>35,200,229</i>	<i>35,631,324</i>	<i>7,343,591</i>	<i>8,906,283</i>	<i>42,543,820</i>	<i>44,537,607</i>

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Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Expenses						
General Government	\$3,855,019	\$6,267,660	\$0	\$0	\$3,855,019	\$6,267,660
<i>Security of Persons and Property:</i>						
Police	5,561,708	7,407,309	0	0	5,561,708	7,407,309
Fire	6,115,182	7,092,636	0	0	6,115,182	7,092,636
Leisure Time Services	857,434	933,515	0	0	857,434	933,515
Community Environment	357,249	1,476,572	0	0	357,249	1,476,572
Basic Utility Services	1,008,751	1,352,143	0	0	1,008,751	1,352,143
Transportation	7,464,294	9,681,811	0	0	7,464,294	9,681,811
Interest and Fiscal Charges	201,843	267,005	0	0	201,843	267,005
Issuance Costs	0	80,085	0	0	0	80,085
Water and Sewer	0	0	6,682,740	8,837,677	6,682,740	8,837,677
Total Expenses	25,421,480	34,558,736	6,682,740	8,837,677	32,104,220	43,396,413
<i>Increase (Decrease) in Net Position Before Transfers</i>	<i>9,778,749</i>	<i>1,072,588</i>	<i>660,851</i>	<i>68,606</i>	<i>10,439,600</i>	<i>1,141,194</i>
Transfers In (Out)	(20,000)	(30,000)	20,000	30,000	0	0
<i>Changes in Net Position</i>	<i>9,758,749</i>	<i>1,042,588</i>	<i>680,851</i>	<i>98,606</i>	<i>10,439,600</i>	<i>1,141,194</i>
<i>Net Position at Beginning of Year-Restated*</i>	<i>13,378,252</i>	<i>12,335,664</i>	<i>38,042,308</i>	<i>37,943,702</i>	<i>51,420,560</i>	<i>50,279,366</i>
<i>Net Position at End of Year</i>	<i>\$23,137,001</i>	<i>\$13,378,252</i>	<i>\$38,723,159</i>	<i>\$38,042,308</i>	<i>\$61,860,160</i>	<i>\$51,420,560</i>

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

Governmental Activities

Governmental activities increased the City's net position by \$9,758,749. The City saw an increase in income tax revenues, which was partially offset by a decrease in miscellaneous revenues. Income taxes increased due to an increase in receivables. Miscellaneous revenues decreased due to a decrease in rebates from the Ohio Bureau of Workers Compensation. Changes in other revenues between years were not significant. Expenses decreased significantly between years primarily due to changes in the net pension/OPEB liability (asset) calculations by the retirement systems. The City recognized a net gain on pensions in the amount of \$962,932 and a net gain on OPEB in the amount of \$3,895,669, resulting in a total reduction in expenses of \$4,858,601. Additionally, the City recognized expenses of COVID-19 funding in the amount of approximately \$1.7 million in the prior year versus approximately \$250,000 this year. The City also experienced decreases in expenses in various departments due to various cost saving measures.

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Revenues
Governmental Activities

Revenue Source	Percentage of Total Revenues
Income and Other Taxes	50.57%
Operating Grants and Contributions	17.43%
Capital Grants and Contributions	0.49%
Charges for Services	23.92%
Property Taxes	3.65%
Unrestricted Grants and Entitlements	2.70%
Unrestricted Contributions	0.05%
Investment Earnings	0.16%
Other	0.93%
Gain on Sale of Capital Assets	0.10%
Total	<u>100.00%</u>

Of the \$35,200,229 in total revenues, income and other taxes accounted for 50.57 percent; charges for services accounted for 23.92 percent; operating grants and contributions accounted for 17.43 percent; and unrestricted grants and entitlements, unrestricted contributions, property taxes, investment earnings, other revenue, capital grants and contributions, and gain on sale of capital assets account for the remaining 8.08 percent. The income and other tax revenue for 2021 was \$17,799,645, which was an increase of \$1,211,433, or 7.30 percent.

Expenses
Governmental Activities

Expenses by Function	Percentage of Total Expenses
General Government	15.16%
Police	21.88%
Fire	24.06%
Leisure Time Services	3.37%
Community Environment	1.41%
Basic Utility Services	3.97%
Transportation	29.36%
Interest and Fiscal Charges	0.79%
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 \$680,851. The increase in net position is due primarily to a reduction in expenses resulting in the gains recognized for pension and OPEB activity, in the amounts of \$415,654 and \$1,743,577, respectively. These increases to net position were partially offset by decreases to accounts receivable and related revenues totaling \$635,168. The City also experienced decreases in collections of charges for water and sewer services and had corresponding reductions in operating costs.

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 2021, the total fund balance for the general fund was \$6,891,201 of which \$5,525,123, or 80.18 percent, was unassigned.

During the current year, the fund balance of the general fund increased by \$1,232,283. The general fund experienced an increase in the amount of recognizable income taxes, which was offset by a reduction due to only small rebates from the Ohio Bureau of Workers Compensation during the year as compared to the very large rebates received in the prior year, resulting in a decrease in miscellaneous revenues from the prior year. Additionally, in the prior year, the fund paid off a large portion of debt, resulting in higher expenditures in the prior year as compared to this year.

At the end of 2021, the street construction maintenance and repair fund had a fund balance of \$2,753,211, which is an increase of \$297,696. This was a result of an increase in income tax and state shared tax revenues that outpaced increases in expenditures for road paving and repairs.

During the year, the American Rescue Plan Act fund received \$1,137,701 in federal grants. These funds were not obligated or spent by year-end. The unspent balance was recognized as unearned revenue at year-end.

At the end of 2021, the bus transit fund had a fund balance of \$3,885,461, which is an increase of \$2,039,217. This was a result of an increase in grant funding received in the during year as compared to the prior year. Additionally, in the prior year, the fund paid off a large portion of debt, resulting in higher expenditures in the prior year as compared to this year.

Proprietary Funds

During the current year, the net position of the City's water fund decreased by \$162,263, or 0.73 percent. The decrease in the water fund's net position was due to a decrease in charges for service collections and miscellaneous revenues, resulting from a reduction in Ohio Bureau of Workers Compensation rebates. These decreases however were partially offset by a gain recognized in the fund related to pension and OPEB activity.

During the current year, the net position of the sewer fund increased by \$615,452, or 3.85 percent. The increase in the sewer fund's net position is the result of a gain recognized in the fund related to pension and OPEB activity. This increase however was partially offset by a decrease in charges for service collections and miscellaneous revenues, resulting from a reduction in Ohio Bureau of Workers Compensation rebates.

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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 2021, 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 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 \$20,918,746 and the final budgeted revenues and other financing sources were \$27,035,226. The largest difference between the general fund's original budget and final budget was in income tax revenue and general obligation bonds issued. These lines increased \$5,412,310 and \$547,000, or 69.51 percent and 100.00 percent, respectively. Income tax revenue increased due to a significant increase in collections from what was originally anticipated. Additionally, the City decided to issue bonds for the purpose of land, vehicle, and equipment acquisitions, resulting in a corresponding budget amendment for the inflow of cash.

For the general fund, the original budgeted expenditures and other financing uses were \$22,022,041 and the final budgeted expenditures and other financing uses were \$26,072,451. The differences between the general fund's original budget and final amended budget of expenditures amounted to a \$4,050,410 increase, which included additional appropriations for capital outlay and transfers out of \$850,815 and \$2,458,665, respectively. Capital outlay increased primarily due to expectations to use proceeds from general obligation bonds issued. Transfers out increased to provide for transferring of funds between the safety levy subfund and the general fund.

The difference between the general fund's final budget and actual for the general government and capital outlay expenditures was \$917,044 and \$660,489, or 16.14 and 74.86 percent, respectively. This difference between budgeted and actual expenditures was primarily the result of lower than expected expenditures for personal services costs and contractual services expenditures in several departments and due to the City not using all bond proceeds by the end of the year.

Capital Assets and Debt Administration

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020*
Land	\$7,281,379	\$6,989,731	\$1,923,669	\$1,923,669
Construction in Progress	4,000	0	2,791,926	1,194,337
Land Improvements	109,677	125,552	47,441	14,798
Buildings, Structures, and Improvements	9,389,434	9,778,018	2,168,636	2,361,893
Plant and Facilities	0	0	10,117,198	10,697,049
Furniture, Fixture, and Equipment	3,919,418	3,771,945	664,970	704,093
Infrastructure	20,473,806	21,188,156	16,211,004	16,859,791
Total	<u>\$41,177,714</u>	<u>\$41,853,402</u>	<u>\$33,924,844</u>	<u>\$33,755,630</u>

*The City reclassified certain assets between classifications based on review of internal asset records. These reclassifications did not impact previously reported net position.

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Total capital assets for governmental activities of the City for the year 2021 were \$41,177,714, or \$675,688 less than in 2020. This decrease was due to the current year depreciation and disposals exceeding the current year acquisitions.

The increase in capital assets for business-type activities of \$169,214 was due primarily to the current year acquisitions in excess of depreciation and disposals.

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

As of December 31, 2021, the City had \$8,476,545 in bonds outstanding.

Long-Term Debt Obligations

	2021	2020
Governmental Activities		
2020 Various Purpose Refunding Bonds	\$2,530,000	\$2,740,000
2016 Street Improvement Bonds	1,590,000	1,885,000
2017 Street Improvements Bonds	675,000	885,000
2017 Street Sweeper Bonds	40,000	75,000
2017 Garbage Truck Bonds	35,000	75,000
2018 Police Cruisers/Squad Bonds	119,155	178,733
2019 Various Purpose Bonds	1,266,000	1,330,000
2021 Various Purpose Bonds	1,232,390	0
<i>Total Governmental Activities</i>	<u>7,487,545</u>	<u>7,168,733</u>
Business-Type Activities		
2020 Various Purpose Refunding Bonds	275,000	410,000
2019 Various Purpose Bonds	714,000	740,000
<i>Total Business-Type Activities</i>	<u>989,000</u>	<u>1,150,000</u>
<i>Total</i>	<u>\$8,476,545</u>	<u>\$8,318,733</u>

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%; one of which is dedicated to city street construction, maintenance, and repair while the other is dedicated to safety services. The overall Chillicothe City income tax increased from 1.6% to 2.0% effective January 1, 2016.

Since the passage of the street construction levy, the City has budgeted a minimum of \$1 million per year to be spent on road projects. Since the passage of the Levy, the City has spent approximately \$8.4 million on street construction

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

projects. This levy has allowed the City to appropriate funds to pave, maintain, and repair roads throughout the City. In order to begin the paving projects, the City borrowed funds which will be paid 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 2021, several new businesses evolved such as, Rural King, Panda Express, Dwell Reality, Gabriel Brothers, Rocas Mexican Grill, and the re-opening of Chillicothe Cinemas. 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. Kenworth Truck Company, has initiated a \$45 million, 105,000 square-foot expansion, as well. 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.

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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$15,171,755	\$8,399,620	\$23,571,375
Cash and Cash Equivalents in Segregated Accounts	77,169	0	77,169
Cash and Cash Equivalents with Fiscal Agents	1,799,548	0	1,799,548
Materials and Supplies Inventory	135,709	48,593	184,302
Accrued Interest Receivable	5,489	0	5,489
Accounts Receivable	777,749	1,207,585	1,985,334
Internal Balances	(173,004)	173,004	0
Intergovernmental Receivable	1,918,861	4,223	1,923,084
Prepaid Items	527,059	143,994	671,053
Income Taxes Receivable	3,331,878	0	3,331,878
Other Local Taxes Receivable	93,897	0	93,897
Property Taxes Receivable	1,393,492	0	1,393,492
Special Assessments Receivable	47,857	0	47,857
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466
Non-Depreciable Capital Assets	7,285,379	4,715,595	12,000,974
Depreciable Capital Assets, Net	33,892,335	29,209,249	63,101,584
Net OPEB Asset	669,220	273,343	942,563
<i>Total Assets</i>	<i>66,954,393</i>	<i>44,793,672</i>	<i>111,748,065</i>
Deferred Outflows of Resources:			
Pensions	3,756,520	366,343	4,122,863
OPEB	2,204,246	150,735	2,354,981
<i>Total Deferred Outflows of Resources</i>	<i>5,960,766</i>	<i>517,078</i>	<i>6,477,844</i>
Liabilities:			
Accounts Payable	729,041	77,721	806,762
Accrued Wages and Benefits Payable	475,792	112,519	588,311
Contracts Payable	0	85,171	85,171
Intergovernmental Payable	244,855	38,234	283,089
Accrued Interest Payable	29,342	3,068	32,410
Claims Payable	788,689	0	788,689
Unearned Revenue	1,137,701	0	1,137,701
<i>Long-Term Liabilities:</i>			
Due Within One Year	1,816,490	430,288	2,246,778
<i>Due in More Than One Year:</i>			
Other Amounts Due in More Than One Year	8,014,073	1,252,350	9,266,423
Net Pension Liability	23,352,959	2,311,304	25,664,263
Net OPEB Liability	2,750,051	0	2,750,051
<i>Total Liabilities</i>	<i>39,338,993</i>	<i>4,310,655</i>	<i>43,649,648</i>
Deferred Inflows of Resources:			
Property Taxes	1,293,504	0	1,293,504
Pensions	5,657,956	1,261,330	6,919,286
OPEB	3,487,705	1,015,606	4,503,311
<i>Total Deferred Inflows of Resources</i>	<i>10,439,165</i>	<i>2,276,936</i>	<i>12,716,101</i>
Net Position:			
Net Investment in Capital Assets	34,212,897	33,237,984	67,450,881
Restricted for:			
Debt Service	232,332	0	232,332
Capital Outlay	3,758,796	618,466	4,377,262
Street Maintenance and Repair	3,318,877	0	3,318,877
Bus Transit	1,994,197	0	1,994,197
Housing and Urban Development	25,313	0	25,313
Unclaimed Monies	130,417	0	130,417
Other Purposes	1,347,137	0	1,347,137
<i>Permanent Fund Purpose:</i>			
Expendable	2,378	0	2,378
Nonexpendable	1,000	0	1,000
Unrestricted (Deficit)	(21,886,343)	4,866,709	(17,019,634)
<i>Total Net Position</i>	<i>\$23,137,001</i>	<i>\$38,723,159</i>	<i>\$61,860,160</i>

See accompanying notes to the basic financial statements.

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City of Chillicothe
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,855,019	\$511,100	\$248,094	\$0
<i>Security of Persons and Property:</i>				
Police	5,561,708	446,103	68,241	0
Fire	6,115,182	1,547,986	96,724	0
Leisure Time Services	857,434	91,258	40,302	125,094
Community Environment	357,249	5,223	15,003	0
Basic Utility Services	1,008,751	2,132,101	0	0
Transportation	7,464,294	3,685,861	5,668,572	46,841
Interest and Fiscal Charges	201,843	0	0	0
<i>Total Governmental Activities</i>	25,421,480	8,419,632	6,136,936	171,935
Business-Type Activities:				
Water	4,078,754	3,966,842	0	0
Sewer	2,603,986	3,245,765	22,786	0
<i>Total Business-Type Activities</i>	6,682,740	7,212,607	22,786	0
<i>Total</i>	\$32,104,220	\$15,632,239	\$6,159,722	\$171,935

General Revenues and Transfers:

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Municipal Income Taxes Levied for:

General Purposes

Transportation

Parks and Recreation

Capital Outlay

Other Local Taxes

Grants and Entitlements not Restricted to Specific Programs

Gifts and Contributions not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year-Restated

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,095,825)	\$0	(\$3,095,825)
(5,047,364)	0	(5,047,364)
(4,470,472)	0	(4,470,472)
(600,780)	0	(600,780)
(337,023)	0	(337,023)
1,123,350	0	1,123,350
1,936,980	0	1,936,980
(201,843)	0	(201,843)
(10,692,977)	0	(10,692,977)
0	(111,912)	(111,912)
0	664,565	664,565
0	552,653	552,653
(10,692,977)	552,653	(10,140,324)
1,035,226	0	1,035,226
250,116	0	250,116
13,064,052	0	13,064,052
2,610,264	0	2,610,264
653,362	0	653,362
1,088,937	0	1,088,937
383,030	0	383,030
950,315	0	950,315
19,015	0	19,015
55,972	0	55,972
36,925	6,911	43,836
324,512	101,287	425,799
20,471,726	108,198	20,579,924
(20,000)	20,000	0
20,451,726	128,198	20,579,924
9,758,749	680,851	10,439,600
13,378,252	38,042,308	51,420,560
\$23,137,001	\$38,723,159	\$61,860,160

City of Chillicothe
Balance Sheet
Governmental Funds
As of December 31, 2021

	General	Street Construction Maintenance and Repair	American Rescue Plan Act	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$4,924,104	\$2,367,457	\$1,137,701	\$3,479,686	\$3,047,851	\$14,956,799
Cash and Cash Equivalents in Segregated Accounts	76,278	0	0	0	891	77,169
Materials and Supplies Inventory	63,612	44,807	0	27,056	234	135,709
Accrued Interest Receivable	5,489	0	0	0	0	5,489
Accounts Receivable	490,426	0	0	285,608	1,715	777,749
Interfund Receivable	250,000	0	0	0	65,000	315,000
Intergovernmental Receivable	536,836	662,738	0	517,477	201,810	1,918,861
Prepaid Items	382,726	8,974	0	92,472	42,887	527,059
Income Taxes Receivable	2,498,909	333,188	0	166,594	333,187	3,331,878
Other Local Taxes Receivable	93,897	0	0	0	0	93,897
Property Taxes Receivable	1,122,368	0	0	0	271,124	1,393,492
Special Assessments Receivable	47,857	0	0	0	0	47,857
Restricted Cash and Cash Equivalents	130,417	0	0	0	0	130,417
<i>Total Assets</i>	<i>\$10,622,919</i>	<i>\$3,417,164</i>	<i>\$1,137,701</i>	<i>\$4,568,893</i>	<i>\$3,964,699</i>	<i>\$23,711,376</i>
Liabilities:						
Accounts Payable	\$358,151	\$42,397	\$0	\$272,748	\$47,890	\$721,186
Accrued Wages and Benefits Payable	401,205	13,755	0	49,276	11,556	475,792
Intergovernmental Payable	109,606	5,745	0	21,661	107,843	244,855
Interfund Payable	65,000	0	0	0	250,000	315,000
Unearned Revenue	0	0	1,137,701	0	0	1,137,701
<i>Total Liabilities</i>	<i>933,962</i>	<i>61,897</i>	<i>1,137,701</i>	<i>343,685</i>	<i>417,289</i>	<i>2,894,534</i>
Deferred Inflows of Resources:						
Property Taxes not Levied to Finance Current Year Operations	1,041,442	0	0	0	252,062	1,293,504
<i>Unavailable Revenue:</i>						
Property Taxes	63,404	0	0	0	14,794	78,198
Income Taxes	1,205,090	160,678	0	80,339	160,677	1,606,784
Other	0	0	0	3,819	0	3,819
Grants and Entitlements	387,116	441,378	0	255,589	180,144	1,264,227
Fines and Forfeitures	62,197	0	0	0	0	62,197
Special Assessments	38,507	0	0	0	0	38,507
<i>Total Unavailable Revenue</i>	<i>1,756,314</i>	<i>602,056</i>	<i>0</i>	<i>339,747</i>	<i>355,615</i>	<i>3,053,732</i>
<i>Total Deferred Inflows of Resources</i>	<i>2,797,756</i>	<i>602,056</i>	<i>0</i>	<i>339,747</i>	<i>607,677</i>	<i>4,347,236</i>
Fund Balances:						
Nonspendable	576,755	53,781	0	119,528	44,121	794,185
Restricted	0	2,699,430	0	3,765,933	2,889,847	9,355,210
Committed	41,631	0	0	0	0	41,631
Assigned	747,692	0	0	0	5,765	753,457
Unassigned	5,525,123	0	0	0	0	5,525,123
<i>Total Fund Balances</i>	<i>6,891,201</i>	<i>2,753,211</i>	<i>0</i>	<i>3,885,461</i>	<i>2,939,733</i>	<i>16,469,606</i>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<i>\$10,622,919</i>	<i>\$3,417,164</i>	<i>\$1,137,701</i>	<i>\$4,568,893</i>	<i>\$3,964,699</i>	<i>\$23,711,376</i>

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, 2021*

Total Governmental Fund Balances	\$16,469,606
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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.	41,177,714
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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	78,198	
Income Taxes	1,606,784	
Other	3,819	
Grants and Entitlements	1,264,227	
Fines, Licenses and Permits	62,197	
Special Assessments	<u>38,507</u>	
Total		3,053,732

Some interest is not due and payable in the current period and therefore is not reported in the funds.	(29,342)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Refunding Bonds	(2,530,000)	
General Obligation Bonds	(4,957,545)	
Premium on Bonds	(290,102)	
Lease-Purchase Agreements	(290,261)	
Capital Leases Payable	(118,174)	
Compensated Absences Payable	<u>(1,644,481)</u>	
Total		(9,830,563)

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

Deferred Outflows-Pension	3,756,520	
Deferred Outflows-OPEB	2,204,246	
Net OPEB Asset	669,220	
Net Pension Liability	(23,352,959)	
Net OPEB Liability	(2,750,051)	
Deferred Inflows-Pension	(5,657,956)	
Deferred Inflows-OPEB	<u>(3,487,705)</u>	
Total		(28,618,685)

The internal service fund used by management to charge the costs of the fuel purchasing and self-insurance programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.

914,539

Net Position of Governmental Activities

\$23,137,001

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, 2021

	General	Street Construction Maintenance and Repair	American Rescue Plan Act	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$1,051,904	\$0	\$0	\$0	\$254,152	\$1,306,056
Income Taxes	12,938,467	1,722,370	0	862,778	1,725,557	17,249,172
Other Local Taxes	385,056	0	0	0	0	385,056
Special Assessments	5,536	0	0	0	0	5,536
Charges for Services	3,563,823	0	0	3,145,632	150,104	6,859,559
Fines, Licenses, and Permits	1,440,284	0	0	0	46,747	1,487,031
Intergovernmental	1,111,901	1,393,006	0	3,909,268	399,918	6,814,093
Interest	82,372	53	0	27	65	82,517
Change in Fair Value of Investments	(37,533)	0	0	0	0	(37,533)
Contributions and Donations	155,742	0	0	0	11,512	167,254
Other	97,024	12,721	0	86,101	124,847	320,693
<i>Total Revenues</i>	<i>20,794,576</i>	<i>3,128,150</i>	<i>0</i>	<i>8,003,806</i>	<i>2,712,902</i>	<i>34,639,434</i>
Expenditures:						
Current:						
General Government	5,687,979	0	0	0	48,430	5,736,409
<i>Security of Persons and Property:</i>						
Police	5,360,537	0	0	0	557,269	5,917,806
Fire	5,214,965	0	0	0	935,321	6,150,286
Leisure Time Services	15,000	0	0	0	722,484	737,484
Community Environment	30,015	0	0	0	15,000	45,015
Basic Utility Services	1,333,345	0	0	0	62,069	1,395,414
Transportation	316,961	1,132,039	0	5,878,929	198,981	7,526,910
Capital Outlay	855,764	1,129,465	0	41,183	1,072,935	3,099,347
Debt Service:						
Principal Retirement	149,455	558,000	0	40,243	401,664	1,149,362
Interest and Fiscal Charges	66,693	85,950	0	28,807	51,909	233,359
<i>Total Expenditures</i>	<i>19,030,714</i>	<i>2,905,454</i>	<i>0</i>	<i>5,989,162</i>	<i>4,066,062</i>	<i>31,991,392</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>1,763,862</i>	<i>222,696</i>	<i>0</i>	<i>2,014,644</i>	<i>(1,353,160)</i>	<i>2,648,042</i>
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	1,234,596	1,234,596
General Obligations Bonds Issued	587,000	75,000	0	0	570,390	1,232,390
Proceeds from Sale of Capital Assets	7,851	0	0	24,573	4,501	36,925
Inception of Capital Lease	128,166	0	0	0	0	128,166
Transfers Out	(1,254,596)	0	0	0	0	(1,254,596)
<i>Total Other Financing Sources (Uses)</i>	<i>(531,579)</i>	<i>75,000</i>	<i>0</i>	<i>24,573</i>	<i>1,809,487</i>	<i>1,377,481</i>
<i>Net Change in Fund Balances</i>	<i>1,232,283</i>	<i>297,696</i>	<i>0</i>	<i>2,039,217</i>	<i>456,327</i>	<i>4,025,523</i>
<i>Fund Balances at Beginning of Year</i>	<i>5,658,918</i>	<i>2,455,515</i>	<i>0</i>	<i>1,846,244</i>	<i>2,483,406</i>	<i>12,444,083</i>
<i>Fund Balances at End of Year</i>	<i>\$6,891,201</i>	<i>\$2,753,211</i>	<i>\$0</i>	<i>\$3,885,461</i>	<i>\$2,939,733</i>	<i>\$16,469,606</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, 2021*

Net Change in Fund Balances - Total Governmental Funds \$4,025,523

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	3,099,347	
Current Year Depreciation	(3,226,584)	
Total	(127,237)	(127,237)

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. (548,451)

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

Delinquent Property Taxes	(20,714)	
Income Taxes	167,443	
Other Local Taxes	(2,026)	
Other	3,819	
Grants and Entitlements	296,854	
Fines, Licenses and Permits	62,197	
Delinquent Special Assessments	5,309	
Total	512,882	512,882

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	1,149,362	
Total	1,149,362	1,149,362

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (379)

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:

General Obligation Bonds Issued	(1,232,390)	
Inception of Capital Lease	(128,166)	
Total	(1,360,556)	(1,360,556)

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	114,309	
Amortization of Premiums on Debt Issued	31,895	
Total	146,204	146,204

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

Pensions	2,154,558	
OPEB	31,033	
Total	2,185,591	2,185,591

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

Pensions	(1,191,626)	
OPEB	3,864,636	
Total	2,673,010	2,673,010

The internal service fund used by management to charge the costs of the fuel purchasing and self-insurance programs 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. 1,102,800

Net Change in Net Position of Governmental Activities \$9,758,749

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$1,014,197	\$1,056,352	\$1,056,352	\$0
Income Taxes	7,786,750	13,199,060	13,199,060	0
Other Local Taxes	320,000	355,066	355,066	0
Special Assessments	25,000	13,701	13,701	0
Charges for Services	3,556,509	3,649,382	3,643,819	(5,563)
Fines, Licenses, and Permits	1,475,700	1,496,547	1,496,547	0
Intergovernmental	1,109,794	1,158,527	1,158,527	0
Interest	177,000	53,617	53,619	2
Contributions and Donations	11,000	19,015	19,015	0
Other	879,752	691,829	84,830	(606,999)
<i>Total Revenues</i>	<i>16,355,702</i>	<i>21,693,096</i>	<i>21,080,536</i>	<i>(612,560)</i>
Expenditures:				
Current:				
General Government	6,176,809	6,598,269	5,681,225	917,044
<i>Security of Persons and Property</i>				
Police	6,053,088	5,833,226	5,464,346	368,880
Fire	5,379,718	5,585,150	5,223,387	361,763
Leisure Time Services	15,000	15,650	15,000	650
Community Environment	525	525	69	456
Basic Utility Services	1,351,899	1,554,940	1,413,100	141,840
Transportation	328,000	413,000	394,556	18,444
Capital Outlay	692,000	1,542,815	882,326	660,489
Debt Service:				
Principal Retirement	103,000	145,977	145,977	0
Interest and Fiscal Charges	63,800	66,032	66,032	0
<i>Total Expenditures</i>	<i>20,163,839</i>	<i>21,755,584</i>	<i>19,286,018</i>	<i>2,469,566</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(3,808,137)</i>	<i>(62,488)</i>	<i>1,794,518</i>	<i>1,857,006</i>
Other Financing Sources (Uses)				
Transfers In	4,313,044	4,789,754	4,505,198	(284,556)
General Obligation Bonds Issued	0	547,000	547,000	0
Proceeds from Sale of Capital Assets	0	5,376	5,376	0
Advances In	250,000	0	0	0
Transfers Out	(1,858,202)	(4,316,867)	(6,182,341)	(1,865,474)
<i>Total Other Financing Sources (Uses)</i>	<i>2,704,842</i>	<i>1,025,263</i>	<i>(1,124,767)</i>	<i>(2,150,030)</i>
<i>Net Change in Fund Balances</i>	<i>(1,103,295)</i>	<i>962,775</i>	<i>669,751</i>	<i>(293,024)</i>
<i>Fund Balances at Beginning of Year</i>	<i>3,651,609</i>	<i>3,651,609</i>	<i>3,651,609</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>47,067</i>	<i>47,067</i>	<i>47,067</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$2,595,381</i>	<i>\$4,661,451</i>	<i>\$4,368,427</i>	<i>(\$293,024)</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,560,600	\$1,757,116	\$1,757,116	\$0
Intergovernmental	1,385,000	1,376,185	1,376,185	0
Interest	0	53	53	0
Other	28,365	36,146	12,721	(23,425)
<i>Total Revenues</i>	<u>2,973,965</u>	<u>3,169,500</u>	<u>3,146,075</u>	<u>(23,425)</u>
Expenditures:				
Current:				
Transportation	1,168,906	1,260,132	1,164,256	95,876
Capital Outlay	2,153,000	2,442,115	1,475,016	967,099
Debt Service:				
Principal Retirement	558,000	558,000	558,000	0
Interest and Fiscal Charges	85,950	85,950	85,950	0
<i>Total Expenditures</i>	<u>3,965,856</u>	<u>4,346,197</u>	<u>3,283,222</u>	<u>1,062,975</u>
<i>Excess of Revenues Under Expenditures</i>	(991,891)	(1,176,697)	(137,147)	1,039,550
Other Financing Sources (Uses)				
Transfers In	1,747,150	1,997,150	1,997,150	0
General Obligation Bonds Issued	75,000	75,000	75,000	0
Transfers Out	(2,037,150)	(2,040,150)	(2,040,150)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(215,000)</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,206,891)	(1,144,697)	(105,147)	1,039,550
<i>Fund Balances at Beginning of Year</i>	<u>2,119,247</u>	<u>2,119,247</u>	<u>2,119,247</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$912,356</u>	<u>\$974,550</u>	<u>\$2,014,100</u>	<u>\$1,039,550</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)
American Rescue Plan Act Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$0	\$1,137,701	\$1,137,701	\$0
<i>Total Revenues</i>	<u>0</u>	<u>1,137,701</u>	<u>1,137,701</u>	<u>0</u>
 <i>Net Change in Fund Balances</i>	 0	 1,137,701	 1,137,701	 0
 <i>Fund Balances at Beginning of Year</i>	 0	 0	 0	 0
 <i>Fund Balances at End of Year</i>	 <u>\$0</u>	 <u>\$1,137,701</u>	 <u>\$1,137,701</u>	 <u>\$0</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$780,300	\$880,150	\$880,150	\$0
Charges for Services	3,460,000	3,105,133	3,105,133	0
Intergovernmental	2,272,859	3,650,032	3,650,032	0
Interest	0	27	27	0
Other	201,701	191,152	91,086	(100,066)
<i>Total Revenues</i>	<u>6,714,860</u>	<u>7,826,494</u>	<u>7,726,428</u>	<u>(100,066)</u>
Expenditures:				
Current:				
Transportation	6,422,244	6,487,958	5,847,651	640,307
Capital Outlay	24,500	346,718	257,552	89,166
Debt Service:				
Principal Retirement	35,000	40,243	40,243	0
Interest and Fiscal Charges	28,350	28,807	28,807	0
<i>Total Expenditures</i>	<u>6,510,094</u>	<u>6,903,726</u>	<u>6,174,253</u>	<u>729,473</u>
<i>Excess of Revenues Over Expenditures</i>	204,766	922,768	1,552,175	629,407
Other Financing Sources (Uses)				
Transfers In	0	1,104,012	1,104,012	0
Proceeds from Sale of Capital Assets	0	24,573	24,573	0
Transfers Out	(47,000)	(1,152,512)	(1,125,512)	27,000
<i>Total Other Financing Sources (Uses)</i>	<u>(47,000)</u>	<u>(23,927)</u>	<u>3,073</u>	<u>27,000</u>
<i>Net Change in Fund Balances</i>	157,766	898,841	1,555,248	656,407
<i>Fund Balances at Beginning of Year</i>	1,696,615	1,696,615	1,696,615	0
<i>Prior Year Encumbrances Appropriated</i>	5,951	5,951	5,951	0
<i>Fund Balances at End of Year</i>	<u>\$1,860,332</u>	<u>\$2,601,407</u>	<u>\$3,257,814</u>	<u>\$656,407</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2021

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Assets:				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,159,289	\$3,240,331	\$8,399,620	\$84,539
Cash and Cash Equivalents with Fiscal Agents	0	0	0	1,799,548
Materials and Supplies Inventory	41,900	6,693	48,593	0
Accounts Receivable	682,103	525,482	1,207,585	0
Intergovernmental Receivable	2,212	2,011	4,223	0
Prepaid Items	90,616	53,378	143,994	0
<i>Total Current Assets</i>	<i>5,976,120</i>	<i>3,827,895</i>	<i>9,804,015</i>	<i>1,884,087</i>
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466	0
Non-Depreciable Capital Assets	1,741,233	2,974,362	4,715,595	0
Depreciable Capital Assets, Net	17,325,117	11,884,132	29,209,249	0
Net OPEB Asset	141,384	131,959	273,343	0
<i>Total Noncurrent Assets</i>	<i>19,207,734</i>	<i>15,608,919</i>	<i>34,816,653</i>	<i>0</i>
<i>Total Assets</i>	<i>25,183,854</i>	<i>19,436,814</i>	<i>44,620,668</i>	<i>1,884,087</i>
Deferred Outflows of Resources:				
Pensions	175,933	190,410	366,343	0
OPEB	69,759	80,976	150,735	0
<i>Total Deferred Outflows of Resources</i>	<i>245,692</i>	<i>271,386</i>	<i>517,078</i>	<i>0</i>
Liabilities:				
<i>Current:</i>				
Accounts Payable	30,563	47,158	77,721	7,855
Accrued Wages and Benefits Payable	53,415	59,104	112,519	0
Contracts Payable	44,695	40,476	85,171	0
Intergovernmental Payable	22,195	16,039	38,234	0
Accrued Interest Payable	1,190	1,878	3,068	0
Claims Payable	0	0	0	788,689
Compensated Absences Payable	193,679	67,375	261,054	0
General Obligation Bonds Payable	14,000	154,000	168,000	0
Capital Lease Payable	1,234	0	1,234	0
<i>Total Current Liabilities</i>	<i>360,971</i>	<i>386,030</i>	<i>747,001</i>	<i>796,544</i>
<i>Noncurrent:</i>				
Compensated Absences Payable-Net of Current Portion	271,216	84,030	355,246	0
General Obligation Bonds Payable-Net of Current Portion	370,791	524,056	894,847	0
Capital Lease Payable-Net of Current Portion	2,257	0	2,257	0
Net Pension Liability	1,195,502	1,115,802	2,311,304	0
<i>Total Noncurrent Liabilities</i>	<i>1,839,766</i>	<i>1,723,888</i>	<i>3,563,654</i>	<i>0</i>
<i>Total Liabilities</i>	<i>2,200,737</i>	<i>2,109,918</i>	<i>4,310,655</i>	<i>796,544</i>
Deferred Inflows of Resources:				
Pensions	708,385	552,945	1,261,330	0
OPEB	559,200	456,406	1,015,606	0
<i>Total Deferred Inflows of Resources</i>	<i>1,267,585</i>	<i>1,009,351</i>	<i>2,276,936</i>	<i>0</i>
Net Position:				
Net Investment in Capital Assets	18,867,807	14,370,177	33,237,984	0
Restricted for:				
Capital Outlay	0	618,466	618,466	0
Unrestricted	3,093,417	1,600,288	4,693,705	1,087,543
<i>Total Net Position</i>	<i>\$21,961,224</i>	<i>\$16,588,931</i>	<i>38,550,155</i>	<i>\$1,087,543</i>

Adjustment to Reflect the Consolidation of Internal Service Fund Activities
Related to Business-Type Activities

173,004

Net Position of Business-Type Activities

\$38,723,159

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, 2021

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Operating Revenues:				
Charges for Services	\$3,966,842	\$3,245,765	\$7,212,607	\$6,800,334
Other	77,464	23,823	101,287	0
<i>Total Operating Revenues</i>	<u>4,044,306</u>	<u>3,269,588</u>	<u>7,313,894</u>	<u>6,800,334</u>
Operating Expenses:				
Personal Services	1,332,962	1,143,510	2,476,472	0
Fringe Benefits	(339,210)	(313,527)	(652,737)	0
Contractual Services	1,528,779	905,812	2,434,591	919,145
Materials and Supplies	505,647	189,717	695,364	361,345
Claims	0	0	0	4,200,370
Depreciation	899,893	733,014	1,632,907	0
<i>Total Operating Expenses</i>	<u>3,928,071</u>	<u>2,658,526</u>	<u>6,586,597</u>	<u>5,480,860</u>
<i>Operating Income</i>	116,235	611,062	727,297	1,319,474
Nonoperating Revenues (Expenses)				
Interest	0	0	0	10,988
Intergovernmental	0	22,786	22,786	0
Gain on Sale of Capital Assets	1,855	5,056	6,911	0
Interest and Fiscal Charges	(13,528)	(40,305)	(53,833)	0
Loss on Sale of Capital Assets	(266,825)	(3,147)	(269,972)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(278,498)</u>	<u>(15,610)</u>	<u>(294,108)</u>	<u>10,988</u>
<i>Income (Loss) Before Transfers</i>	(162,263)	595,452	433,189	1,330,462
Transfers In	0	20,000	20,000	0
<i>Change in Net Position</i>	(162,263)	615,452	453,189	1,330,462
<i>Net Position Beginning of Year-Restated</i>	<u>22,123,487</u>	<u>15,973,479</u>	<u>38,096,966</u>	<u>(242,919)</u>
<i>Net Position End of Year</i>	<u>\$21,961,224</u>	<u>\$16,588,931</u>	<u>38,550,155</u>	<u>\$1,087,543</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Business-Type Activities			<u>227,662</u>	
Change in Net Position - Total Business-Type Activities			<u>\$680,851</u>	

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,311,391	\$3,536,384	\$7,847,775	\$6,800,334
Cash Received from Other Receipts	78,109	24,391	102,500	0
Cash Payments to Employees	(2,230,884)	(1,856,775)	(4,087,659)	0
Cash Payments for Claims	0	0	0	(4,034,560)
Cash Payments for Contractual Services	(1,493,846)	(878,501)	(2,372,347)	(919,145)
Cash Payments for Supplies and Materials	(525,301)	(168,239)	(693,540)	(353,490)
<i>Net Cash Provided by Operating Activities</i>	<i>139,469</i>	<i>657,260</i>	<i>796,729</i>	<i>1,493,139</i>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	0	20,000	20,000	0
Intergovernmental	0	22,786	22,786	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<i>0</i>	<i>42,786</i>	<i>42,786</i>	<i>0</i>
Cash Flows from Capital and Related Financing Activities:				
Principal Paid on Bonds and Capital Leases	(15,787)	(2,290,465)	(2,306,252)	0
Interest Paid on Bonds and Capital Leases	(13,572)	(46,035)	(59,607)	0
Cash Received from Sale of Capital Assets	1,855	5,056	6,911	0
Cash Paid to Acquire/Construct Capital Assets	(551,573)	(1,851,903)	(2,403,476)	0
<i>Net Cash Used by Capital and Related Financing Activities</i>	<i>(579,077)</i>	<i>(4,183,347)</i>	<i>(4,762,424)</i>	<i>0</i>
Cash Flows from Investing Activities				
Investment Earnings	0	0	0	10,988
<i>Net Cash Provided by Investing Activities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10,988</i>
<i>Net Change in Cash and Cash Equivalents</i>	<i>(439,608)</i>	<i>(3,483,301)</i>	<i>(3,922,909)</i>	<i>1,504,127</i>
<i>Cash and Cash Equivalents Beginning of Year-Restated</i>	<i>5,598,897</i>	<i>7,342,098</i>	<i>12,940,995</i>	<i>379,960</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$5,159,289</i>	<i>\$3,858,797</i>	<i>\$9,018,086</i>	<i>\$1,884,087</i>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$116,235	\$611,062	\$727,297	\$1,319,474
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>				
Depreciation Expense	899,893	733,014	1,632,907	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows:</i>				
Decrease in Accounts Receivable	344,549	290,619	635,168	0
Decrease in Intergovernmental Receivable	645	568	1,213	0
Decrease in Materials and Supplies Inventory	2,077	36,219	38,296	0
Increase in Prepaid Items	(11,788)	(6,122)	(17,910)	0
Decrease in Deferred Outflows of Resources	275,070	161,103	436,173	0
Increase in Net OPEB Asset	(141,384)	(131,959)	(273,343)	0
Increase (Decrease) in Accounts Payable	(19,705)	(21,784)	(41,489)	7,855
Increase in Accrued Wages and Benefits Payable	6,689	8,017	14,706	0
Increase in Contracts Payable	44,695	40,476	85,171	0
Increase (Decrease) in Intergovernmental Payable	3,602	(4,829)	(1,227)	0
Decrease in Compensated Absences Payable	(69,097)	(49,075)	(118,172)	0
Increase in Claims Payable	0	0	0	165,810
Decrease in Net Pension Liability	(680,726)	(442,397)	(1,123,123)	0
Decrease in Net OPEB Liability	(1,296,091)	(1,076,398)	(2,372,489)	0
Increase in Deferred Inflows of Resources	664,805	508,746	1,173,551	0
<i>Net Cash Provided by Operating Activities</i>	<i>\$139,469</i>	<i>\$657,260</i>	<i>\$796,729</i>	<i>\$1,493,139</i>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2021

Assets:

Equity in Pooled Cash and Cash Equivalents	\$38,020
Cash and Cash Equivalents in Segregated Accounts	<u>128,423</u>
<i>Total Assets</i>	<u>166,443</u>

Liabilities:

Intergovernmental Payable	<u>43,367</u>
<i>Total Liabilities</i>	<u>43,367</u>

Net Position:

Restricted for Individuals, Organizations, and Other Governments	<u>123,076</u>
<i>Total Net Position</i>	<u><u>\$123,076</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, 2021

Additions:

Fines and Forfeitures for Other Governments	<u>\$1,585,766</u>
<i>Total Additions</i>	<u>1,585,766</u>

Deductions:

Fines and Forfeitures Distributions to Other Governments	<u>1,500,795</u>
<i>Total Deductions</i>	<u>1,500,795</u>

<i>Change in Net Position</i>	84,971
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<i>Net Position at Beginning of Year</i>	<u>38,105</u>
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<i>Net Position at End of Year</i>	<u><u>\$123,076</u></u>
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See accompanying notes to the basic financial statements.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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).

The City is associated with one organization, which is defined as a public entities risk pool, Jefferson Health Plan. This organization is presented in note 29 of the notes to the basic financial statements.

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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

Street Construction Maintenance 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.

American Rescue Plan Act Fund – This fund accounts for grants received through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan Act. Grants are restricted for various purposes designated by the Department of the Treasury.

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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Proprietary Funds

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

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

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

The internal service funds of the City accounts for a fuel purchasing program which provides bulk fuel purchases for vehicles of the various City departments and for its self-insurance program.

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 and fiduciary 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.

City of Chillicothe
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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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Additionally, deferred inflows related to pensions/OPEB are reported in the government-wide statement of net position. Deferred inflows related to pensions/OPEB result from changes in net pension/OPEB 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 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 2021 amounted to \$82,372, which includes \$67,712 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 is part of the Jefferson Health Plan, a joint self-insurance pool. The money held by the fiscal agent is presented as "cash and cash equivalents with fiscal agent" on the basic financial statements since it is held in a pool made up of numerous participants. The City's participation in the pool is described in note 23.

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, 2021 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.

City of Chillicothe
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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.

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

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB 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 (asset), 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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 funds. 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.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 2021.

Estimates

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

Note 3 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures, and changes in fund balance-budget and actual (budget basis) is presented for the general fund, street construction maintenance 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, ARPA fund, and bus transit fund:

City of Chillicothe
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For the Year Ended December 31, 2021

Net Change in Fund Balance

	General	Street Construction Maintenance and Repair	ARPA	Bus Transit
GAAP Basis	\$1,232,283	\$297,696	\$0	\$2,039,217
Adjustments:				
Net Adjustments for Revenue Accruals	352,662	17,925	1,137,701	(277,378)
Net Adjustments for Expenditure Accruals	(62,848)	(32,216)	0	32,878
Net Adjustments for Other Sources (Uses)	(445,666)	(43,000)	0	(21,500)
Encumbrances	(405,934)	(345,552)	0	(217,969)
<i>Perspective Differences:</i>				
Activity of Funds Reclassified for GAAP Reporting Purposes	(746)	0	0	0
Budget Basis	\$669,751	(\$105,147)	\$1,137,701	\$1,555,248

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 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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
Pooled	\$24,227,861
Segregated	205,592
Reconciling items (net) to arrive at bank balances for deposits	434,402
<i>Total available for deposit and investment</i>	<u><u>\$24,867,855</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.

Cash with Fiscal Agent

The City is self-insured through Jefferson Health Plan (the Plan), a claims servicing pool. The money held by the Plan cannot be identified as an investment or deposit since it is held in a pool made up of numerous participants. The amount held by the Plan at December 31, 2021 was \$1,779,548. This amount is not included in the City's depository balance below. The classification of cash and cash equivalents and investments for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, 2023 Sunset Boulevard, Steubenville, Ohio 43952.

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, 2021, the carrying amount of all City deposits, including deposits in segregated accounts, was \$23,416,897. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2021, the City's bank balance of \$23,851,299 was either covered by the Federal Deposit Insurance or collateralized by the financial institution's public entity deposit pools in the manner described below. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Investments

As of December 31, 2021, the City had the following investment and maturity:

Investment Type	Fair Value	Maturity	% of Portfolio
Negotiable Certificates of Deposit	\$249,480	Less Than 1 Year	24.54%
Negotiable Certificates of Deposit	767,076	1 to 2 Years	75.46%
Total	<u>\$1,016,556</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 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, 2021. The City’s investments are Level 1 inputs.

Note 5 – Receivables

Receivables at December 31, 2021 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:

Governmental Activities:

General Fund:

Local Government Distributions	\$399,089
State Property Tax Reimbursements	61,699
Police Grants	6,206
Law Director Salary Subsidy	53,152
Deferred Compensation Refund	100
Workers Compensation Rebate	<u>16,590</u>
<i>Total General Fund</i>	536,836
Street Construction Maintenance and Repair Distributions	662,738
Bus Transit Grants	517,477

City of Chillicothe
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<i>Nonmajor Governmental Funds:</i>	
State Highway Distributions	\$53,681
Parks and Recreation	29,412
State Grants	37,951
Parking	172
Police and Fire Pension State Property Tax Reimbursements	14,854
Parks and Recreation Capital	65,740
<i>Total Nonmajor Governmental Funds</i>	<u>201,810</u>
 <i>Total Governmental Activities</i>	 <u><u>\$1,918,861</u></u>
 Business-Type Activities:	
Water	\$2,212
Sewer	2,011
 <i>Total Business-Type Activities</i>	 <u><u>\$4,223</u></u>

Note 6 – Capital Assets

The following table provides a summary of the changes in capital assets during 2021 for the governmental activities:

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$6,989,731	\$291,648	\$0	\$7,281,379
Construction in Progress	0	4,000	0	4,000
Total Nondepreciable Capital Assets	<u>6,989,731</u>	<u>295,648</u>	<u>0</u>	<u>7,285,379</u>
 <i>Depreciable Capital Assets:</i>				
Land Improvements	5,237,838	0	(29,977)	5,207,861
Buildings, Structures, and Improvements	21,833,662	480,309	(324,945)	21,989,026
Furniture, Fixtures, Equipment, and Vehicles	17,244,957	1,480,377	(1,385,844)	17,339,490
Infrastructure	70,680,236	843,013	(566,690)	70,956,559
Total Depreciable Capital Assets	<u>114,996,693</u>	<u>2,803,699</u>	<u>(2,307,456)</u>	<u>115,492,936</u>
 <i>Less Accumulated Depreciation:</i>				
Land Improvements	(5,112,286)	(15,875)	29,977	(5,098,184)
Buildings, Structures, and Improvements	(12,055,644)	(628,719)	84,771	(12,599,592)
Furniture, Fixtures, Equipment, and Vehicles	(13,473,012)	(1,133,240)	1,186,180	(13,420,072)
Infrastructure	(49,492,080)	(1,448,750)	458,077	(50,482,753)
Total Accumulated Depreciation	<u>(80,133,022)</u>	<u>(3,226,584)</u>	<u>1,759,005</u>	<u>(81,600,601)</u>
 Total Capital Assets Being Depreciated, Net	 <u>34,863,671</u>	 <u>(422,885)</u>	 <u>(548,451)</u>	 <u>33,892,335</u>
 <i>Governmental Activities Capital Assets, Net</i>	 <u><u>\$41,853,402</u></u>	 <u><u>(\$127,237)</u></u>	 <u><u>(\$548,451)</u></u>	 <u><u>\$41,177,714</u></u>

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Governmental Activities:	
General Government	\$601,720
<i>Security of Persons and Property:</i>	
Police	276,530
Fire	164,073
Transportation	1,617,163
Community Environment	312,234
Leisure Time Activities	188,832
Basic Utility Services	66,032
<i>Governmental Activities Depreciation Expense</i>	<u>\$3,226,584</u>

The following table provides a summary of the changes in capital assets during 2021 for the business-type activities:

	Balance 1/1/21*	Additions	Deletions	Balance 12/31/21
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,923,669	\$0	\$0	\$1,923,669
Construction in Progress	1,194,337	1,597,589	0	2,791,926
Total Nondepreciable Capital Assets	3,118,006	1,597,589	0	4,715,595
<i>Depreciable Capital Assets:</i>				
Land Improvements	308,071	35,164	0	343,235
Buildings, Structures, and Improvements	5,869,974	0	0	5,869,974
Plant and Facilities	26,027,076	0	(161,035)	25,866,041
Furniture, Fixtures, Equipment, and Vehicles	4,366,684	267,539	(257,624)	4,376,599
Infrastructure	32,038,446	171,801	(276,510)	31,933,737
Total Depreciable Capital Assets	68,610,251	474,504	(695,169)	68,389,586
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(293,273)	(2,521)	0	(295,794)
Buildings, Structures, and Improvements	(3,508,081)	(193,257)	0	(3,701,338)
Plant and Facilities	(15,330,027)	(507,386)	88,570	(15,748,843)
Furniture, Fixtures, Equipment, and Vehicles	(3,662,591)	(296,020)	246,982	(3,711,629)
Infrastructure	(15,178,655)	(633,723)	89,645	(15,722,733)
Total Accumulated Depreciation	(37,972,627)	(1,632,907)	425,197	(39,180,337)
Total Capital Assets Being Depreciated, Net	30,637,624	(1,158,403)	(269,972)	29,209,249
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$33,755,630</u>	<u>\$439,186</u>	<u>(\$269,972)</u>	<u>\$33,924,844</u>

*The City reclassified certain assets between classifications based on review of internal asset records. These reclassifications did not impact previously reported net position.

Note 7 – Long-Term Obligations

The City's long-term obligations activity for the year ended December 31, 2021 was as follows:

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21	Due Within One Year
Governmental Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	\$700,000	\$0	(\$210,000)	\$490,000	\$125,000
Term Bonds	2,040,000	0	0	2,040,000	0
Issuance Premium on Bonds	116,133	0	(5,574)	110,559	0
Total GO Refunding Bonds	2,856,133	0	(215,574)	2,640,559	125,000
<i>General Obligation Bonds:</i>					
Street Improvement Project (2016)					
\$3,000,000, 2.52%, 2016-2026	1,885,000	0	(295,000)	1,590,000	305,000
Issuance Premium on Bonds	61,305	0	(10,217)	51,088	0
Street Improvement Project (2017)					
\$1,490,000, 2.49%, 2017-2024	885,000	0	(210,000)	675,000	220,000
Issuance Premium on Bonds	33,555	0	(8,389)	25,166	0
Street Sweeper \$175,000, 2.49%, 2017-2024	75,000	0	(35,000)	40,000	40,000
Issuance Premium on Bonds	2,133	0	(1,066)	1,067	0
Garbage Truck \$165,000, 2.49%, 2017-2024	75,000	0	(40,000)	35,000	35,000
Issuance Premium on Bonds	2,053	0	(1,027)	1,026	0
Police Cruisers/Squad 2018 \$297,889, 3.35%, 2018-2023	178,733	0	(59,578)	119,155	59,578
2019 General Obligation Bonds \$1,391,000, 4.0%, 2019-2039	1,330,000	0	(64,000)	1,266,000	72,000
Issuance Premium on Bonds	106,818	0	(5,622)	101,196	0
<i>Various Purpose Bonds:</i>					
\$1,232,390, 1.80%, 2021-2026					
Land Acquisition Bonds	0	300,000	0	300,000	57,878
Vehicle and Equipment Acquisition Bonds	0	932,390	0	932,390	179,885
Total GO Bonds	4,634,597	1,232,390	(729,899)	5,137,088	969,341
<i>Other Long-Term Obligations:</i>					
Lease-Purchase Agreements	395,495	0	(105,234)	290,261	108,685
Capital Leases	120,558	128,166	(130,550)	118,174	23,318
Total Leases	516,053	128,166	(235,784)	408,435	132,003
Compensated Absences	1,758,790	1,139,401	(1,253,710)	1,644,481	590,146
<i>Net Pension Liability:</i>					
OPERS	7,965,230	0	(2,306,520)	5,658,710	0
OP&F	18,996,893	0	(1,302,644)	17,694,249	0
Total Net Pension Liability	26,962,123	0	(3,609,164)	23,352,959	0
<i>Net OPEB Liability:</i>					
OPERS	5,502,349	0	(5,515,349)	0	0
OP&F	2,785,500	0	(35,449)	2,750,051	0
Total Net OPEB Liability	8,287,849	0	(5,550,798)	2,750,051	0
<i>Governmental Activities Long-Term Obligations</i>	<u>\$45,015,545</u>	<u>\$2,499,957</u>	<u>(\$11,581,929)</u>	<u>\$35,933,573</u>	<u>\$1,816,490</u>

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 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:

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:

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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, street construction maintenance and repair, state highway, debt obligations, landfill closure, and parks and recreation capital funds using tax and available 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

During 2021, the City issued \$1,232,390 of various purpose general obligation bonds for the purpose of purchasing the property (\$300,000), and vehicles and equipment for various departments (\$932,390). This bond will be retired through the general, street construction maintenance and repair, floodwall, parking, safety levy capital, and parks and recreation capital funds using tax and available revenues.

The various purpose bonds maturing October 1, 2026 shall be subject to mandatory redemption at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, in the following amounts on the dates indicated:

Redemption Dates (October 1)	Principal Amount To Be Redeemed
2022	\$237,763
2023	242,043
2024	246,400
2025	250,835

Unless otherwise redeemed, the remaining principal amount of this bond \$255,349 is payable on October 1, 2026.

City of Chillicothe
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For the Year Ended December 31, 2021

Business-Type Activities Bonds and Other Long-Term Obligations

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21	Due Within One Year
Business-Type Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	\$410,000	\$0	(\$135,000)	\$275,000	\$140,000
Issuance Premium on Bonds	19,186	0	(921)	18,265	0
Total GO Refunding Bonds	429,186	0	(135,921)	293,265	140,000
<i>General Obligation Bonds:</i>					
2019 Building Purchase Bond, 4.0%					
Issuance Premium on Bonds	58,670	0	(3,088)	55,582	0
Total GO Bonds	798,670	0	(29,088)	769,582	28,000
<i>Other Long-Term Obligations:</i>					
Capital Leases	4,734	0	(1,243)	3,491	1,234
Compensated Absences	734,472	165,111	(283,283)	616,300	261,054
<i>Net Pension Liability-OPERS:</i>					
Water	1,876,228	0	(680,726)	1,195,502	0
Sewer	1,558,199	0	(442,397)	1,115,802	0
Total Net Pension Liability-OPERS	3,434,427	0	(1,123,123)	2,311,304	0
<i>Net OPEB Liability-OPERS:</i>					
Water	1,296,091	0	(1,296,091)	0	0
Sewer	1,076,398	0	(1,076,398)	0	0
Total Net OPEB Liability-OPERS	2,372,489	0	(2,372,489)	0	0
<i>Business-Type Activities</i>					
<i>Long-Term Obligations</i>	<u>\$7,773,978</u>	<u>\$165,111</u>	<u>(\$3,945,147)</u>	<u>\$3,993,942</u>	<u>\$430,288</u>

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 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.

City of Chillicothe
Notes to the Basic Financial Statements
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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
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	100,000	61,200	335,000	10,050	0	0
2027-2031	555,000	259,050	0	0	0	0
2032-2036	635,000	170,700	0	0	0	0
2037-2041	750,000	69,000	0	0	0	0
Total	\$2,530,000	\$840,150	\$1,590,000	\$131,375	\$119,155	\$5,988

For year ended December 31	2019 G.O. Bonds		2017 Street Improvement	
	Governmental Activities		Project G.O. Bonds	
	Principal	Interest	Principal	Interest
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	53,000	39,640	0	0
2027-2031	301,000	164,360	0	0
2032-2036	373,000	99,120	0	0
2037-2039	264,000	21,360	0	0
Total	\$1,266,000	\$509,400	\$675,000	\$37,450

For year ended December 31	2021 V.P. Bonds		2021 V.P. Bonds	
	Land Acquisition		Vehicles and Equipment Acquisition	
	Principal	Interest	Principal	Interest
2022	\$57,878	\$5,400	\$179,885	\$16,783
2023	58,920	4,358	183,122	13,545
2024	59,981	3,298	186,420	10,248
2025	61,061	2,218	189,773	6,894
2026	62,160	1,119	193,190	3,477
Total	\$300,000	\$16,393	\$932,390	\$50,947

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

City of Chillicothe
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For the Year Ended December 31, 2021

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
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	0	0	16,000	11,880	16,000	11,880
2027-2031	0	0	92,000	49,120	92,000	49,120
2032-2036	0	0	111,000	29,240	111,000	29,240
2037-2039	0	0	78,000	6,320	78,000	6,320
Total	\$275,000	\$12,300	\$357,000	\$150,200	\$357,000	\$150,200

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, 2021, the hospital revenue refunding bonds aggregated principal amount payable was \$143,645,000.

Note 9 – Other Long-Term Obligations

Changes in the other long-term obligations of the City during the 2021 fiscal year were as follows:

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21	Due Within One Year
Governmental Activities:					
<i>Lease-Purchase Agreements:</i>					
Police Cruisers – 2019 – 3.25%	\$81,390	\$0	(\$26,267)	\$55,123	\$27,121
Police Radios – 2019 – 3.25%	182,066	0	(58,758)	123,308	60,668
CAD System – 2019 – 3.40%	132,039	0	(20,209)	111,830	20,896
<i>Governmental Activities</i>					
<i>Other Long-Term Obligations</i>	\$395,495	\$0	(\$105,234)	\$290,261	\$108,685

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, 2021

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, 2021 are shown below.

For year ended December 31	Police Cruisers		Police Radios		CAD System	
	Principal	Interest	Principal	Interest	Principal	Interest
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	\$55,123	\$2,701	\$123,308	\$6,044	\$111,830	\$11,661

Note 10 – Notes Payable

A summary of the note transactions for the year ended December 31, 2021 follows:

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
Business-Type Activities:				
2020 Bond Anticipation Notes – Sanitary				
Sewer System Improvements	\$2,140,000	\$0	(\$2,140,000)	\$0

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 carried an interest rate of 1 percent and were repaid in full during the year.

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 \$564,239 in the governmental activities, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2021 were \$130,550 in the governmental funds.

The City has also entered into a lease agreement in the water fund. The capital leased asset, consisting of equipment, has been capitalized in the amount of \$6,046 in the water fund and business-type activities. Principal payments in 2021 were \$1,243 in the water fund.

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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, 2021 are as follows:

Year Ended December 31,	Governmental Activities	Business-Type Activities – Water Fund
2022	\$23,654	\$1,439
2023	23,098	1,439
2024	23,097	960
2025	21,395	0
2026	21,397	0
Thereafter	5,869	0
Total Future Minimum Lease Payments	118,510	3,838
Less: Amount Representing Interest	(336)	(347)
Present Value of Net Minimum Lease	\$118,174	\$3,491

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 (Asset)

The net pension liability and net OPEB liability (asset) reported on the statement of net position represents a liability to/benefit for 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 (asset) 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 (asset) 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/OPEB 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

City of Chillicothe
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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 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. 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 annual comprehensive financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Group C 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 on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,162,058 for 2021. Of this amount, \$128,555 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 annual comprehensive 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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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 \$1,329,497 for 2021. Of this amount, \$243,951 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	0.053823%	0.2595572%	
Prior Measurement Date	0.057674%	0.2819980%	
Change in Proportionate Share	-0.003851%	-0.0224408%	
Proportionate Share of the:			
Net Pension Liability	\$7,970,014	\$17,694,249	\$25,664,263
Pension Expense	(\$113,272)	\$1,226,241	\$1,112,969

At December 31, 2021, 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	\$739,674	\$739,674
Changes of assumptions	0	296,745	296,745
Changes in proportion and differences between City contributions and proportionate share of contributions	126,769	468,120	594,889
City contributions subsequent to the measurement date	1,162,058	1,329,497	2,491,555
Total Deferred Outflows of Resources	<u>\$1,288,827</u>	<u>\$2,834,036</u>	<u>\$4,122,863</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$333,393	\$689,316	\$1,022,709
Net difference between projected and actual earnings on pension plan investments	3,106,479	858,287	3,964,766
Changes in proportion and differences between City contributions and proportionate share of contributions	625,680	1,306,131	1,931,811
Total Deferred Inflows of Resources	<u>\$4,065,552</u>	<u>\$2,853,734</u>	<u>\$6,919,286</u>

\$2,491,555 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 2022. 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
2022	(\$1,647,883)	(\$133,543)	(\$1,781,426)
2023	(600,917)	221,095	(379,822)
2024	(1,266,304)	(980,568)	(2,246,872)
2025	(423,679)	(345,356)	(769,035)
2026	0	(110,823)	(110,823)
Total	<u>(\$3,938,783)</u>	<u>(\$1,349,195)</u>	<u>(\$5,287,978)</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, 2020, 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, 2020, 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:	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 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.

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, 2020, 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	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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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	\$15,202,845	\$7,970,014	\$1,955,928

Changes between Measurement Date and Report Date – During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

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, 2020, 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, 2020, are presented below:

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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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, 2020, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income*	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
US Inflation Linked Bonds*	17.00	0.70
Master Limited Partnerships	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: Assumptions are geometric.

*levered 2.5x

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

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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 1.25 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.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$24,632,659	\$17,694,249	\$11,887,498

Note 13 – Defined Benefit OPEB Plans

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

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with

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a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' 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 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate 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 2021, 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 2020 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 2021.

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 health care 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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 2021, 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.

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The City's contractually required OPEB contribution to OP&F was \$31,033 for 2021. Of this amount, \$3,962 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.052906%	0.2595572%	
Prior Measurement Date	0.057012%	0.2819980%	
Change in Proportionate Share	-0.004106%	-0.0224408%	
Proportionate Share of the:			
Net OPEB Asset	(\$942,563)	\$0	(\$942,563)
Net OPEB Liability	0	2,750,051	2,750,051
OPEB Expense	(5,898,337)	290,135	(5,608,202)

At December 31, 2021, 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	\$0	\$1,519,252	\$1,519,252
Changes of assumptions	463,376	0	463,376
Changes in proportion and differences between City contributions and proportionate share of contributions	71,884	269,436	341,320
City contributions subsequent to the measurement date	0	31,033	31,033
Total Deferred Outflows of Resources	\$535,260	\$1,819,721	\$2,354,981

	OPERS	OP&F	Total
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$850,657	\$453,612	\$1,304,269
Changes of assumptions	1,527,234	438,411	1,965,645
Net difference between projected and actual earnings on OPEB plan investments	502,022	102,195	604,217
Changes in proportion and differences between City contributions and proportionate share of contributions	450,322	178,858	629,180
Total Deferred Inflows of Resources	\$3,330,235	\$1,173,076	\$4,503,311

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\$31,033 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/addition to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	(\$1,502,576)	\$144,611	(\$1,357,965)
2023	(1,015,091)	168,812	(846,279)
2024	(218,157)	130,658	(87,499)
2025	(59,151)	138,903	79,752
2026	0	27,869	27,869
Thereafter	0	4,759	4,759
Total	(\$2,794,975)	\$615,612	(\$2,179,363)

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, 2019, rolled forward to the measurement date of December 31, 2020. 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	6.00 percent
Prior Measurement Date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current Measurement Date	2.00 percent
Prior Measurement Date	2.75 percent
Health Care Cost Trend Rate:	
Current Measurement Date	8.50 percent, initial, 3.5 percent, ultimate in 2035
Prior Measurement Date	10.50 percent, initial, 3.5 percent, ultimate in 2030
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

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The 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. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate – A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset)

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would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$234,374)	(\$942,563)	(\$1,524,751)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) 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 2021 is 8.5 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 asset	(\$965,535)	(\$942,563)	(\$916,861)

Changes between Measurement Date and Reporting Date – During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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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, 2020, with actuarial liabilities rolled forward to December 31, 2020
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
Blended discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

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.

Discount Rate – For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 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 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. 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 2037, and the municipal bond rate was applied to all health

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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 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$3,429,156	\$2,750,051	\$2,189,869

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.

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.

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Note 15 – Property Taxes

Property taxes include amounts levied against real and public utility property. The assessed value by property classification upon which the 2021 tax collections were based follows:

Property Tax Classification	Assessed Value
Real Property	\$429,706,570
Public Utility Property	38,917,430
Total	<u>\$468,624,000</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 2021, real property taxes were levied on January 1, 2021, on assessed values as of January 1, 2020, the lien date. Real estate taxes were due and payable on February 26 and July 9, 2021.

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, 2021.

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.

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.

City of Chillicothe
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There were no wages earned during 2021 that were subject to the City's abatement program for the year ended December 31, 2021.

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 2021, these municipal income taxes generated a combined total of \$17,249,172 in local income tax revenue.

Note 18 – Interfund Activity

As of December 31, 2021, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Activities		
<i>Major Governmental Fund:</i>		
General Fund	\$250,000	\$65,000
<i>Nonmajor Governmental Funds:</i>		
Police Pension Fund	25,000	0
Fire Pension Fund	40,000	0
Parks and Recreation Capital Fund	0	250,000
<i>Total Nonmajor Governmental Funds</i>	<u>65,000</u>	<u>250,000</u>
<i>Total</i>	<u><u>\$315,000</u></u>	<u><u>\$315,000</u></u>

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

City of Chillicothe
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A summary of interfund transfers for 2021 are as follows:

	Transfers In	Transfers Out
Governmental Activities		
<i>Major Governmental Fund:</i>		
General Fund	\$0	\$1,254,596
<i>Nonmajor Governmental Funds:</i>		
Parking Fund	125,000	0
Police Pension Fund	423,481	0
Fire Pension Fund	686,115	0
<i>Total Nonmajor Governmental Funds</i>	1,234,596	0
<i>Major Enterprise Fund:</i>		
Sewer Fund	20,000	0
<i>Total</i>	<u>\$1,254,596</u>	<u>\$1,254,596</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 2021, the City made transfers 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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

- 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, 2021.

Project	Contractor	Contract Amount	Payments Through 12/31/21	Contract Remaining at 12/31/21
WWTP Improvements-Engineering	Strand Associates	\$2,138,013	\$1,382,884	\$755,129
Watt Street Improvements	Fillmore Construction	556,806	0	556,806

Encumbrances

As of December 31, 2021, the City had encumbrance commitments in the governmental funds as follows:

Major Funds:

General	\$405,934
Street Construction Maintenance and Repair	345,552
Bus Transit	217,969

Nonmajor Governmental Funds:

Parking	153,459
Safety Levy Capital	144,122
Parks and Recreation Capital	109,898
<i>Total Nonmajor Governmental Funds</i>	<u>407,479</u>

<i>Total</i>	<u><u>\$1,376,934</u></u>
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City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 21 – Fund Balances

As of December 31, 2021 fund balances are composed of the following:

	General	Street Construction	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>					
Prepaid Items	\$382,726	\$8,974	\$92,472	\$42,887	\$527,059
Materials and Supplies	63,612	44,807	27,056	234	135,709
Unclaimed Monies	130,417	0	0	0	130,417
Carlisle Hill Trust	0	0	0	1,000	1,000
<i>Total Nonspendable</i>	<i>576,755</i>	<i>53,781</i>	<i>119,528</i>	<i>44,121</i>	<i>794,185</i>
<i>Restricted:</i>					
Bus Transit	0	0	3,765,933	0	3,765,933
Street Construction	0	2,699,430	0	0	2,699,430
State Highway	0	0	0	88,932	88,932
Parks and Recreation	0	0	0	284,776	284,776
HUD	0	0	0	25,313	25,313
State Grants	0	0	0	92,766	92,766
Law Enforcement	0	0	0	66,755	66,755
Indigent Drivers	0	0	0	309,679	309,679
OMVI	0	0	0	25,943	25,943
Mandatory Drug Fines	0	0	0	10,351	10,351
Parking	0	0	0	283,119	283,119
Police Pension	0	0	0	3,535	3,535
CARES Act Relief	0	0	0	4	4
Fire Pension	0	0	0	3,416	3,416
Bond Retirement	0	0	0	232,332	232,332
Capital Improvement	0	0	0	32,000	32,000
Safety Levy Capital	0	0	0	1,074,597	1,074,597
Parks and Rec Capital	0	0	0	353,951	353,951
Carlisle Hill Trust	0	0	0	2,378	2,378
<i>Total Restricted</i>	<i>0</i>	<i>2,699,430</i>	<i>3,765,933</i>	<i>2,889,847</i>	<i>9,355,210</i>
<i>Committed:</i>					
Floodwall	35,918	0	0	0	35,918
Streetscape	5,713	0	0	0	5,713
<i>Total Committed</i>	<i>41,631</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>41,631</i>
<i>Assigned:</i>					
Landfill Closure	21,714	0	0	0	21,714
Future Purchases for General Government Purposes	405,942	0	0	0	405,942
Subsequent Budget Deficit	320,036	0	0	0	320,036
Cablevision	0	0	0	5,765	5,765
<i>Total Assigned</i>	<i>747,692</i>	<i>0</i>	<i>0</i>	<i>5,765</i>	<i>753,457</i>
<i>Unassigned</i>	<i>5,525,123</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,525,123</i>
Total Balances	\$6,891,201	\$2,753,211	\$3,885,461	\$2,939,733	\$16,469,606

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. The City reported a declining liability balance through fiscal year 2020 when the liability was considered satisfied in full. As of that date, the City had incurred approximately \$2,694,803 in closure and postclosure care costs. These costs were incurred by the landfill closure 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 \$79,938,287. Other property insurance includes \$348,250 unscheduled and \$3,263,419 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$79,938,287. Insurance deductibles on any of the above coverage do not exceed \$10,000.

Cyber breach coverage insurance is maintained in the amount of \$250,000 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 elected to provide employee medical and prescription benefits through a self-insurance program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risk loss in this program. The Jefferson Health Plan is the consortium that administers the provision of medical, hospitalization, and prescription drug benefits for all claims incurred during membership in the Jefferson Health Plan. A third-party administrator chosen by the City then provides administrative services to the Jefferson Health Plan in connection with the processing and payment of claims. The City is responsible for the first \$35,000 in claims, the Jefferson Health Plan is responsible for claims from \$50,000 to \$1,500,000 and claims over \$1,500,000 are covered with stop-loss coverage with a carrier chosen by the consortium. Fixed premiums for the calendar year are determined by the Jefferson Health Plan and paid to the third-party administrator.

As of June 30, 2021 (most recent information available), the claims liability of \$788,689 reported in the internal service fund is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Changes in claims activity for the two fiscal years is as follows:

	Beginning of Year	Current Year Claims	Claims Payments	End of Year
2021	\$622,879	\$4,200,370	\$4,034,560	\$788,689
2020	1,058,162	3,316,379	3,751,662	622,879

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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. 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. Of the COVID-19 funding received, none was sub-granted to other governments or organizations, returned to the granting agency, or spent on-behalf of other governments.

Note 26 – Restatement of Beginning Net Position

The City restated its beginning net position to account for its participation in a self-insurance plan. This restatement had the following effect on beginning net position.

	Governmental Activities	Business- Type Activities	Internal Service
Net Position, As Reported, December 31, 2020	\$13,639,486	\$38,096,966	\$72,973
Restatements	(261,234)	(54,658)	(315,892)
Net Position, As Restated, January 1, 2021	<u>\$13,378,252</u>	<u>\$38,042,308</u>	<u>(\$242,919)</u>

Note 27 – Asset Retirement Obligations

GASB Statement No. 83, “Certain Asset Retirement Obligations,” establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities, and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

Note 28 – Compliance

The City had expenditures in excess of appropriations in the general fund at year-end, which is contrary to Ohio Revised Code Section 5705.41(b).

Note 29 – Public Entity Risk Pool

Jefferson Health Plan – The City participates in the Jefferson Health Plan (the Plan), a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred members, including two insurance consortiums. Each participant appoints a member of the Plan’s assembly. The Plan’s business and affairs are conducted by a nine-member Board of Directors elected from the assembly. The Plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$150,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$500,000, and all claims between the deductible and the \$500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants.

All participants pay a premium rate that is actuarially calculated based on the participants’ actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third-party administrative services. The plan also purchases fully insured life insurance for plan participants provided by Met Life.

Jefferson County Educational Service Center serves as fiscal agent. To obtain financial information write to the Center, at 2023 Sunset Boulevard, Steubenville, Ohio 43952.

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

	2014	2015	2016
<i>Ohio Public Employees Retirement System</i>			
City's proportion of the net pension liability	0.0550140%	0.0550140%	0.0571880%
City's proportionate share of the net pension liability	\$6,485,434	\$6,635,303	\$9,905,683
City's covered payroll	\$8,434,393	\$7,645,907	\$7,379,121
City's proportionate share of the net pension liability as a percentage of its covered payroll	76.89%	86.78%	134.24%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%
<i>Ohio Police and Fire Pension Fund - Police</i>			
City's proportion of the net pension liability	0.1170453%	0.1170453%	0.1160740%
City's proportionate share of the net pension liability	\$5,700,473	\$6,063,435	\$7,467,091
City's covered payroll	\$2,799,656	\$2,454,862	\$2,544,267
City's proportionate share of the net pension liability as a percentage of its covered payroll	203.61%	247.00%	293.49%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%
<i>Ohio Police and Fire Pension Fund - Fire</i>			
City's proportion of the net pension liability	0.1567050%	0.1567050%	0.1448150%
City's proportionate share of the net pension liability	\$7,632,025	\$8,117,972	\$9,316,063
City's covered payroll	\$2,704,075	\$2,511,146	\$2,583,333
City's proportionate share of the net pension liability as a percentage of its covered payroll	282.24%	323.28%	360.62%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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.

2017	2018	2019	2020	2021
0.0567200%	0.0571490%	0.0583450%	0.0576740%	0.0538230%
\$12,880,147	\$8,965,570	\$15,979,513	\$11,399,658	\$7,970,014
\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186
173.59%	112.30%	188.78%	132.44%	97.60%
77.25%	84.66%	74.70%	82.17%	86.88%
0.1203590%	0.1232690%	0.1248110%	0.1291656%	0.1105259%
\$7,623,417	\$7,565,604	\$10,187,876	\$8,701,285	\$7,534,652
\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313
273.84%	252.69%	325.48%	263.48%	247.74%
68.36%	70.91%	63.07%	69.89%	70.65%
0.1476240%	0.1519330%	0.1530560%	0.1528324%	0.1490313%
\$9,350,346	\$9,324,792	\$12,493,414	\$10,295,608	\$10,159,597
\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133
338.39%	311.12%	399.80%	315.42%	302.63%
68.36%	70.91%	63.07%	69.89%	70.65%

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

	2017	2018	2019	2020	2021
Ohio Public Employees Retirement System					
City's proportion of the net OPEB liability (asset)	0.0558135%	0.0561900%	0.0577340%	0.0570120%	0.0529060%
City's proportionate share of the net OPEB liability (asset)	\$5,637,353	\$6,101,820	\$7,527,151	\$7,874,838	(\$942,563)
City's covered payroll	\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.98%	76.43%	88.93%	91.49%	-11.54%
Plan fiduciary net position as a percentage of the total OPEB liability	54.05%	54.14%	46.33%	47.80%	115.57%
Ohio Police and Fire Pension Fund - Police					
City's proportion of the net OPEB liability	0.1203590%	0.1232690%	0.1248110%	0.1291656%	0.1105259%
City's proportionate share of the net OPEB liability	\$5,713,171	\$6,984,277	\$1,136,596	\$1,275,863	\$1,171,040
City's covered payroll	\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	205.22%	233.27%	36.31%	38.63%	38.50%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	14.13%	41.62%	45.42%
Ohio Police and Fire Pension Fund - Fire					
City's proportion of the net OPEB liability	0.1476240%	0.1519330%	0.1530560%	0.1528324%	0.1490313%
City's proportionate share of the net OPEB liability	\$7,007,379	\$8,608,294	\$1,393,810	\$1,509,637	\$1,579,011
City's covered payroll	\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	253.60%	287.22%	44.60%	46.25%	47.03%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	14.13%	41.62%	45.42%

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.

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

	2012	2013	2014	2015
Ohio Public Employees Retirement System				
Contractually required contribution - pension	\$837,949	\$1,096,471	\$917,509	\$885,495
Contractually required contribution - OPEB	335,179	84,344	152,918	147,582
Contractually required contribution - total	1,173,128	1,180,815	1,070,427	1,033,077
Contributions in relation to the contractually required contribution	1,173,128	1,180,815	1,070,427	1,033,077
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$8,379,486	\$8,434,393	\$7,645,907	\$7,379,121
Contributions as a percentage of covered payroll - pension	10.00%	13.00%	12.00%	12.00%
Contributions as a percentage of covered payroll - OPEB	4.00%	1.00%	2.00%	2.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%
Ohio Police and Fire Pension Fund - Police				
Contractually required contribution - pension	\$349,232	\$448,435	\$466,424	\$483,411
Contractually required contribution - OPEB	184,887	97,498	12,274	12,721
Contractually required contribution - total	534,119	545,933	478,698	496,132
Contributions in relation to the contractually required contribution	534,119	545,933	478,698	496,132
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,739,072	\$2,799,656	\$2,454,862	\$2,544,267
Contributions as a percentage of covered payroll - pension	12.75%	15.88%	19.00%	19.00%
Contributions as a percentage of covered payroll - OPEB	6.75%	3.62%	0.50%	0.50%
Contributions as a percentage of covered payroll - total	19.50%	19.50%	19.50%	19.50%
Ohio Police and Fire Pension Fund - Fire				
Contractually required contribution - pension	\$459,633	\$554,133	\$590,119	\$607,083
Contractually required contribution - OPEB	179,856	94,845	12,556	12,917
Contractually required contribution - total	639,489	648,978	602,675	620,000
Contributions in relation to the contractually required contribution	639,489	648,978	602,675	620,000
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,664,538	\$2,704,075	\$2,511,146	\$2,583,333
Contributions as a percentage of covered payroll - pension	17.25%	20.38%	23.50%	23.50%
Contributions as a percentage of covered payroll - OPEB	6.75%	3.62%	0.50%	0.50%
Contributions as a percentage of covered payroll - total	24.00%	24.00%	24.00%	24.00%

See accompanying notes to the required supplementary information.

2016	2017	2018	2019	2020	2021
\$890,400	\$1,037,868	\$1,185,030	\$1,205,016	\$1,143,266	\$1,162,058
148,400	79,836	0	0	0	0
1,038,800	1,117,704	1,185,030	1,205,016	1,143,266	1,162,058
1,038,800	1,117,704	1,185,030	1,205,016	1,143,266	1,162,058
\$0	\$0	\$0	\$0	\$0	\$0
\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$528,938	\$568,869	\$594,719	\$627,468	\$577,849	\$544,848
13,919	14,970	15,651	16,512	15,207	14,338
542,857	583,839	610,370	643,980	593,056	559,186
542,857	583,839	610,370	643,980	593,056	559,186
\$0	\$0	\$0	\$0	\$0	\$0
\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
19.50%	19.50%	19.50%	19.50%	19.50%	19.50%
\$649,347	\$704,329	\$734,363	\$767,074	\$788,926	\$784,649
13,816	14,986	15,625	16,321	16,786	16,695
663,163	719,315	749,988	783,395	805,712	801,344
663,163	719,315	749,988	783,395	805,712	801,344
\$0	\$0	\$0	\$0	\$0	\$0
\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
24.00%	24.00%	24.00%	24.00%	24.00%	24.00%

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

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:

	2020 and '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:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
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, 2021

OPEB

Changes in Assumptions

<i>Investment Return Assumption:</i>	
Beginning in 2019	6 percent
2018	6.5 percent
<i>Municipal Bond Rate:</i>	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
<i>Single Discount Rate:</i>	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
<i>Health Care Cost Trend Rate:</i>	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Benefit Terms

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

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:

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

	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.

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:

2021	2.96 percent
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, 2021

	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	\$1,182,607	\$232,332	\$1,629,534	\$3,378	\$3,047,851
Cash and Cash Equivalents in Segregated Accounts	891	0	0	0	891
Materials and Supplies Inventory	234	0	0	0	234
Accounts Receivable	1,715	0	0	0	1,715
Interfund Receivable	65,000	0	0	0	65,000
Intergovernmental Receivable	136,070	0	65,740	0	201,810
Prepaid Items	14,814	0	28,073	0	42,887
Income Taxes Receivable	124,945	0	208,242	0	333,187
Property Taxes Receivable	271,124	0	0	0	271,124
<i>Total Assets</i>	<u>\$1,797,400</u>	<u>\$232,332</u>	<u>\$1,931,589</u>	<u>\$3,378</u>	<u>\$3,964,699</u>
Liabilities:					
Accounts Payable	\$21,085	\$0	\$26,805	\$0	\$47,890
Accrued Wages and Benefits Payable	11,556	0	0	0	11,556
Intergovernmental Payable	107,843	0	0	0	107,843
Interfund Payable	0	0	250,000	0	250,000
<i>Total Liabilities</i>	<u>140,484</u>	<u>0</u>	<u>276,805</u>	<u>0</u>	<u>417,289</u>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year Operations	252,062	0	0	0	252,062
<i>Unavailable Revenue:</i>					
Property Taxes	14,794	0	0	0	14,794
Income Taxes	60,254	0	100,423	0	160,677
Grants and Entitlements	114,404	0	65,740	0	180,144
<i>Total Unavailable Revenue</i>	<u>189,452</u>	<u>0</u>	<u>166,163</u>	<u>0</u>	<u>355,615</u>
<i>Total Deferred Inflows of Resources</i>	<u>441,514</u>	<u>0</u>	<u>166,163</u>	<u>0</u>	<u>607,677</u>
Fund Balances:					
Nonspendable	15,048	0	28,073	1,000	44,121
Restricted	1,194,589	232,332	1,460,548	2,378	2,889,847
Assigned	5,765	0	0	0	5,765
<i>Total Fund Balances</i>	<u>1,215,402</u>	<u>232,332</u>	<u>1,488,621</u>	<u>3,378</u>	<u>2,939,733</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$1,797,400</u>	<u>\$232,332</u>	<u>\$1,931,589</u>	<u>\$3,378</u>	<u>\$3,964,699</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$254,152	\$0	\$0	\$0	\$254,152
Income Taxes	647,084	0	1,078,473	0	1,725,557
Charges for Services	150,104	0	0	0	150,104
Fines, Licenses, and Permits	46,747	0	0	0	46,747
Intergovernmental	340,564	0	59,354	0	399,918
Interest	23	0	34	8	65
Contributions and Donations	3,800	0	7,712	0	11,512
Other	94,101	4,000	26,746	0	124,847
<i>Total Revenues</i>	<i>1,536,575</i>	<i>4,000</i>	<i>1,172,319</i>	<i>8</i>	<i>2,712,902</i>
Expenditures:					
Current:					
General Government	48,430	0	0	0	48,430
<i>Security of Persons and Property:</i>					
Police	557,269	0	0	0	557,269
Fire	935,321	0	0	0	935,321
Leisure Time Services	720,266	0	2,218	0	722,484
Community Environment	15,000	0	0	0	15,000
Basic Utility Services	62,069	0	0	0	62,069
Transportation	198,981	0	0	0	198,981
Capital Outlay	265,476	0	807,459	0	1,072,935
Debt Service:					
Principal Retirement	52,807	0	348,857	0	401,664
Interest and Fiscal Charges	7,279	0	44,630	0	51,909
<i>Total Expenditures</i>	<i>2,862,898</i>	<i>0</i>	<i>1,203,164</i>	<i>0</i>	<i>4,066,062</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,326,323)</i>	<i>4,000</i>	<i>(30,845)</i>	<i>8</i>	<i>(1,353,160)</i>
Other Financing Sources					
Transfers In	1,234,596	0	0	0	1,234,596
General Obligation Bonds Issued	150,000	0	420,390	0	570,390
Proceeds from Sale of Capital Assets	4,501	0	0	0	4,501
<i>Total Other Financing Sources</i>	<i>1,389,097</i>	<i>0</i>	<i>420,390</i>	<i>0</i>	<i>1,809,487</i>
<i>Net Change in Fund Balances</i>	<i>62,774</i>	<i>4,000</i>	<i>389,545</i>	<i>8</i>	<i>456,327</i>
<i>Fund Balances at Beginning 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>
<i>Fund Balances at End of Year</i>	<i>\$1,215,402</i>	<i>\$232,332</i>	<i>\$1,488,621</i>	<i>\$3,378</i>	<i>\$2,939,733</i>

City of Chillicothe
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2021

	State Highway	Parks and Recreation	HUD	Grants	Cablevision
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$71,038	\$249,205	\$25,313	\$89,815	\$5,765
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Materials and Supplies Inventory	0	234	0	0	0
Accounts Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	53,681	29,412	0	37,951	0
Prepaid Items	0	11,596	0	0	0
Income Taxes Receivable	0	124,945	0	0	0
Property Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$124,719</u>	<u>\$415,392</u>	<u>\$25,313</u>	<u>\$127,766</u>	<u>\$5,765</u>
Liabilities:					
Accounts Payable	\$0	\$17,626	\$0	\$0	\$0
Accrued Wages and Benefits Payable	0	8,113	0	0	0
Intergovernmental Payable	0	4,030	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>29,769</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	60,254	0	0	0
Grants and Entitlements	35,787	28,763	0	35,000	0
<i>Total Unavailable Revenue</i>	<u>35,787</u>	<u>89,017</u>	<u>0</u>	<u>35,000</u>	<u>0</u>
<i>Total Deferred Inflows of Resources</i>	<u>35,787</u>	<u>89,017</u>	<u>0</u>	<u>35,000</u>	<u>0</u>
Fund Balances:					
Nonspendable	0	11,830	0	0	0
Restricted	88,932	284,776	25,313	92,766	0
Assigned	0	0	0	0	5,765
<i>Total Fund Balances</i>	<u>88,932</u>	<u>296,606</u>	<u>25,313</u>	<u>92,766</u>	<u>5,765</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$124,719</u>	<u>\$415,392</u>	<u>\$25,313</u>	<u>\$127,766</u>	<u>\$5,765</u>

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
\$66,755	\$308,822	\$25,919	\$10,341	\$289,632	\$19,999	\$19,999	\$4	\$1,182,607
0	857	24	10	0	0	0	0	891
0	0	0	0	0	0	0	0	234
0	0	0	0	1,715	0	0	0	1,715
0	0	0	0	0	25,000	40,000	0	65,000
0	0	0	0	172	7,427	7,427	0	136,070
743	0	0	0	2,475	0	0	0	14,814
0	0	0	0	0	0	0	0	124,945
0	0	0	0	0	135,562	135,562	0	271,124
\$67,498	\$309,679	\$25,943	\$10,351	\$293,994	\$187,988	\$202,988	\$4	\$1,797,400
\$0	\$0	\$0	\$0	\$3,459	\$0	\$0	\$0	\$21,085
0	0	0	0	3,443	0	0	0	11,556
0	0	0	0	1,498	43,598	58,717	0	107,843
0	0	0	0	8,400	43,598	58,717	0	140,484
0	0	0	0	0	126,031	126,031	0	252,062
0	0	0	0	0	7,397	7,397	0	14,794
0	0	0	0	0	0	0	0	60,254
0	0	0	0	0	7,427	7,427	0	114,404
0	0	0	0	0	14,824	14,824	0	189,452
0	0	0	0	0	140,855	140,855	0	441,514
743	0	0	0	2,475	0	0	0	15,048
66,755	309,679	25,943	10,351	283,119	3,535	3,416	4	1,194,589
0	0	0	0	0	0	0	0	5,765
67,498	309,679	25,943	10,351	285,594	3,535	3,416	4	1,215,402
\$67,498	\$309,679	\$25,943	\$10,351	\$293,994	\$187,988	\$202,988	\$4	\$1,797,400

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021

	State Highway	Parks and Recreation	HUD	Grants	Cablevision
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	647,084	0	0	0
Charges for Services	0	90,099	5,218	0	0
Fines, Licenses, and Permits	0	0	0	0	0
Intergovernmental	110,109	0	15,000	171,377	0
Interest	0	20	3	0	0
Contributions and Donations	0	3,800	0	0	0
Other	307	1,255	0	0	0
<i>Total Revenues</i>	110,416	742,258	20,221	171,377	0
Expenditures:					
Current:					
General Government	0	0	0	36,709	0
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	135,029	0
Leisure Time Services	0	720,266	0	0	0
Community Environment	0	0	15,000	0	0
Basic Utility Services	0	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	124,000	0	0	0	0
Debt Service:					
Principal Retirement	16,522	1,285	0	0	0
Interest and Fiscal Charges	3,139	90	0	0	0
<i>Total Expenditures</i>	143,661	721,641	15,000	171,738	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,245)	20,617	5,221	(361)	0
Other Financing Sources					
Transfers In	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	4,501	0	0	0
<i>Total Other Financing Sources</i>	0	4,501	0	0	0
<i>Net Change in Fund Balances</i>	(33,245)	25,118	5,221	(361)	0
<i>Fund Balances at Beginning of Year</i>	122,177	271,488	20,092	93,127	5,765
<i>Fund Balances at End of Year</i>	\$88,932	\$296,606	\$25,313	\$92,766	\$5,765

Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	COVID-19 Grant	Totad Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$127,076	\$127,076	\$0	\$254,152
0	0	0	0	0	0	0	0	647,084
0	0	0	0	54,787	0	0	0	150,104
9,604	23,710	1,386	1,038	11,009	0	0	0	46,747
14,370	0	0	0	0	14,854	14,854	0	340,564
0	0	0	0	0	0	0	0	23
0	0	0	0	0	0	0	0	3,800
0	0	0	0	35,143	0	0	57,396	94,101
23,974	23,710	1,386	1,038	100,939	141,930	141,930	57,396	1,536,575
0	0	0	0	0	0	0	11,721	48,430
1,366	0	0	0	0	555,903	0	0	557,269
0	0	0	0	0	0	800,292	0	935,321
0	0	0	0	0	0	0	0	720,266
0	0	0	0	0	0	0	0	15,000
0	0	0	0	0	0	0	62,069	62,069
0	0	0	0	192,781	0	0	6,200	198,981
0	0	0	0	7,948	0	0	133,528	265,476
0	0	0	0	0	7,910	27,090	0	52,807
0	0	0	0	0	915	3,135	0	7,279
1,366	0	0	0	200,729	564,728	830,517	213,518	2,862,898
22,608	23,710	1,386	1,038	(99,790)	(422,798)	(688,587)	(156,122)	(1,326,323)
0	0	0	0	125,000	423,481	686,115	0	1,234,596
0	0	0	0	150,000	0	0	0	150,000
0	0	0	0	0	0	0	0	4,501
0	0	0	0	275,000	423,481	686,115	0	1,389,097
22,608	23,710	1,386	1,038	175,210	683	(2,472)	(156,122)	62,774
44,890	285,969	24,557	9,313	110,384	2,852	5,888	156,126	1,152,628
\$67,498	\$309,679	\$25,943	\$10,351	\$285,594	\$3,535	\$3,416	\$4	\$1,215,402

City of Chillicothe
Combining Balance Sheet
Nonmajor Capital Projects Funds
As of December 31, 2021

	Capital Improvement	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$32,000	\$1,007,098	\$590,436	\$1,629,534
Intergovernmental Receivable	0	0	65,740	65,740
Prepaid Items	0	28,073	0	28,073
Income Taxes Receivable	0	166,594	41,648	208,242
<i>Total Assets</i>	<u>\$32,000</u>	<u>\$1,201,765</u>	<u>\$697,824</u>	<u>\$1,931,589</u>
Liabilities:				
Accounts Payable	\$0	\$18,756	\$8,049	\$26,805
Interfund Payable	0	0	250,000	250,000
<i>Total Liabilities</i>	<u>0</u>	<u>18,756</u>	<u>258,049</u>	<u>276,805</u>
Deferred Inflows of Resources:				
<i>Unavailable Revenue:</i>				
Income Taxes	0	80,339	20,084	100,423
Grants and Entitlements	0	0	65,740	65,740
<i>Total Unavailable Revenue</i>	<u>0</u>	<u>80,339</u>	<u>85,824</u>	<u>166,163</u>
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>80,339</u>	<u>85,824</u>	<u>166,163</u>
Fund Balances:				
Nonspendable	0	28,073	0	28,073
Restricted	32,000	1,074,597	353,951	1,460,548
<i>Total Fund Balances</i>	<u>32,000</u>	<u>1,102,670</u>	<u>353,951</u>	<u>1,488,621</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$32,000</u>	<u>\$1,201,765</u>	<u>\$697,824</u>	<u>\$1,931,589</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021

	Capital Improvement	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Revenues:				
Income Taxes	\$0	\$862,778	\$215,695	\$1,078,473
Intergovernmental	0	0	59,354	59,354
Interest	0	27	7	34
Contributions and Donations	0	0	7,712	7,712
Other	0	26,706	40	26,746
<i>Total Revenues</i>	<u>0</u>	<u>889,511</u>	<u>282,808</u>	<u>1,172,319</u>
Expenditures:				
Current:				
Leisure Time Services	0	0	2,218	2,218
Capital Outlay	0	628,055	179,404	807,459
Debt Service:				
Principal Retirement	0	330,857	18,000	348,857
Interest and Fiscal Charges	0	24,830	19,800	44,630
<i>Total Expenditures</i>	<u>0</u>	<u>983,742</u>	<u>219,422</u>	<u>1,203,164</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(94,231)	63,386	(30,845)
Other Financing Sources				
General Obligation Bonds Issued	0	330,390	90,000	420,390
<i>Total Other Financing Sources</i>	<u>0</u>	<u>330,390</u>	<u>90,000</u>	<u>420,390</u>
<i>Net Change in Fund Balances</i>	0	236,159	153,386	389,545
<i>Fund Balances at Beginning of Year</i>	<u>32,000</u>	<u>866,511</u>	<u>200,565</u>	<u>1,099,076</u>
<i>Fund Balances at End of Year</i>	<u><u>\$32,000</u></u>	<u><u>\$1,102,670</u></u>	<u><u>\$353,951</u></u>	<u><u>\$1,488,621</u></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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$1,014,197	\$1,056,352	\$1,056,352	\$0
Income Taxes	7,786,750	13,199,060	13,199,060	0
Other Local Taxes	320,000	355,066	355,066	0
Special Assessments	25,000	13,701	13,701	0
Charges for Services	3,556,509	3,649,382	3,643,819	(5,563)
Fines, Licenses, and Permits	1,475,700	1,496,547	1,496,547	0
Intergovernmental	1,109,794	1,158,527	1,158,527	0
Interest	177,000	53,617	53,619	2
Contributions and Donations	11,000	19,015	19,015	0
Other	879,752	691,829	84,830	(606,999)
<i>Total Revenues</i>	16,355,702	21,693,096	21,080,536	(612,560)
Expenditures:				
Current:				
General Government				
Mayor				
Personal Services	229,020	220,461	191,621	28,840
Fringe Benefits	165,582	141,182	116,037	25,145
Travel Transportation	1,500	641	340	301
Contractual Services	104,900	127,788	115,871	11,917
Materials and Supplies	3,850	4,470	1,232	3,238
Other	180	180	21	159
<i>Total Mayor</i>	505,032	494,722	425,122	69,600
IT Technology				
Personal Services	40,204	40,204	19,916	20,288
Fringe Benefits	48,485	48,485	9,182	39,303
Travel Transportation	0	28,145	27,645	500
Contractual Services	15,500	1,400	36	1,364
Materials and Supplies	1,400	0	0	0
<i>Total IT Technology</i>	105,589	118,234	56,779	61,455
City Council				
Personal Services	64,469	63,844	63,070	774
Fringe Benefits	140,241	152,126	133,218	18,908
Contractual Services	1,100	1,751	1,718	33
Materials and Supplies	250	185	54	131
<i>Total City Council</i>	206,060	217,906	198,060	19,846
Treasurer				
Personal Services	9,507	9,507	9,507	0
Fringe Benefits	40,911	40,911	35,889	5,022
Contractual Services	27,000	27,000	25,800	1,200
<i>Total Treasurer</i>	77,418	77,418	71,196	6,222

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax Department				
Personal Services	\$112,213	\$114,742	\$110,693	\$4,049
Fringe Benefits	103,133	103,204	91,271	11,933
Travel Transportation	1,000	90	0	90
Contractual Services	30,350	34,381	33,586	795
Materials and Supplies	2,300	979	696	283
Other	1,050	50	0	50
<i>Total Income Tax Department</i>	<i>250,046</i>	<i>253,446</i>	<i>236,246</i>	<i>17,200</i>
Land and Buildings				
Contractual Services	163,273	210,149	198,439	11,710
Materials and Supplies	13,100	20,296	18,415	1,881
<i>Total Land and Buildings</i>	<i>176,373</i>	<i>230,445</i>	<i>216,854</i>	<i>13,591</i>
Law Director				
Personal Services	386,158	391,976	388,907	3,069
Fringe Benefits	312,675	322,038	289,512	32,526
Travel Transportation	0	100	0	100
Contractual Services	49,460	73,383	46,322	27,061
Materials and Supplies	4,275	5,723	3,910	1,813
Other	1,050	18,138	0	18,138
<i>Total Law Director</i>	<i>753,618</i>	<i>811,358</i>	<i>728,651</i>	<i>82,707</i>
Auditor				
Personal Services	313,357	316,257	307,940	8,317
Fringe Benefits	251,184	241,184	214,067	27,117
Travel Transportation	2,500	2,185	1,278	907
Contractual Services	7,800	8,630	5,169	3,461
Materials and Supplies	3,600	3,385	2,104	1,281
Other	100	100	0	100
<i>Total Auditor</i>	<i>578,541</i>	<i>571,741</i>	<i>530,558</i>	<i>41,183</i>
Municipal Court				
Personal Services	1,070,922	1,230,263	1,164,197	66,066
Fringe Benefits	700,814	735,117	643,612	91,505
Travel Transportation	8,000	6,923	1,733	5,190
Contractual Services	320,660	347,563	169,667	177,896
Materials and Supplies	55,200	62,629	36,275	26,354
Other	26,250	26,046	445	25,601
<i>Total Municipal Court</i>	<i>2,181,846</i>	<i>2,408,541</i>	<i>2,015,929</i>	<i>392,612</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Victim Witness				
Personal Services	\$40,021	\$40,340	\$2,603	\$37,737
Fringe Benefits	6,719	7,011	7,011	0
<i>Total Victim Witness</i>	46,740	47,351	9,614	37,737
Civil Service				
Travel Transportation	0	530	0	530
Contractual Services	24,075	22,723	16,845	5,878
Materials and Supplies	1,900	2,515	2,023	492
<i>Total Civil Service</i>	25,975	25,768	18,868	6,900
JRIG				
Fringe Benefits	0	34,035	7,941	26,094
Travel Transportation	0	965	936	29
<i>Total JRIG</i>	0	35,000	8,877	26,123
Service Department				
Personal Services	117,015	117,008	106,209	10,799
Fringe Benefits	77,001	77,008	66,046	10,962
Contractual Services	7,600	7,305	6,366	939
Materials and Supplies	400	708	552	156
Other	0	387	188	199
<i>Total Service Department</i>	202,016	202,416	179,361	23,055
Engineering				
Personal Services	210,948	205,954	191,381	14,573
Fringe Benefits	115,271	120,265	103,590	16,675
Travel Transportation	1,000	0	0	0
Contractual Services	27,543	31,589	19,796	11,793
Materials and Supplies	8,650	7,146	4,635	2,511
Other	100	100	0	100
<i>Total Engineering</i>	363,512	365,054	319,402	45,652
Code Enforcement				
Travel Transportation	500	450	0	450
Contractual Services	16,250	16,250	10,819	5,431
Materials and Supplies	1,300	1,300	482	818
Other	500	550	0	550
<i>Total Code Enforcement</i>	18,550	18,550	11,301	7,249

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Defense				
Other	\$6,350	\$6,350	\$6,350	\$0
<i>Total Civil Defense</i>	6,350	6,350	6,350	0
Miscellaneous				
Fringe Benefits	11,500	13,165	13,050	115
Travel Transportation	500	0	0	0
Contractual Services	628,443	627,280	565,633	61,647
Materials and Supplies	4,100	5,532	4,211	1,321
Other	34,500	67,892	65,069	2,823
<i>Total Miscellaneous</i>	679,043	713,869	647,963	65,906
Planning Commission				
Materials and Supplies	100	100	94	6
<i>Total Planning Commission</i>	100	100	94	6
<i>Total General Government</i>	6,176,809	6,598,269	5,681,225	917,044
<i>Security of Persons and Property</i>				
Police				
Personal Services	3,718,548	3,602,311	3,483,191	119,120
Fringe Benefits	2,051,540	1,828,659	1,608,483	220,176
Travel Transportation	1,000	0	0	0
Contractual Services	155,000	250,664	233,237	17,427
Materials and Supplies	115,450	139,802	132,566	7,236
Capital Outlay	11,550	0	0	0
Other	0	11,790	6,869	4,921
<i>Total Police</i>	6,053,088	5,833,226	5,464,346	368,880
Fire				
Personal Services	3,380,867	3,575,222	3,422,567	152,655
Fringe Benefits	1,696,186	1,664,496	1,474,992	189,504
Travel Transportation	750	718	566	152
Contractual Services	108,315	125,748	114,195	11,553
Materials and Supplies	193,000	218,142	210,495	7,647
Other	600	824	572	252
<i>Total Fire</i>	5,379,718	5,585,150	5,223,387	361,763
<i>Total Security of Persons and Property</i>	11,432,806	11,418,376	10,687,733	730,643
Leisure Time Services				
Mayor - Special Projects				
Contractual Services	15,000	15,000	15,000	0
Other	0	650	0	650
<i>Total Mayor - Special Projects</i>	15,000	15,650	15,000	650
<i>Total Leisure Time Services</i>	15,000	15,650	15,000	650

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community Environment				
Design and Review				
Contractual Services	\$450	\$450	\$69	\$381
Materials and Supplies	25	25	0	25
Other	50	50	0	50
<i>Total Design and Review</i>	<u>525</u>	<u>525</u>	<u>69</u>	<u>456</u>
<i>Total Community Environment</i>	<u>525</u>	<u>525</u>	<u>69</u>	<u>456</u>
Basic Utility Services				
Refuse				
Personal Services	433,204	432,929	412,998	19,931
Fringe Benefits	297,921	296,978	290,395	6,583
Contractual Services	327,808	501,276	474,814	26,462
Materials and Supplies	37,100	43,937	43,378	559
Other	600	4,554	0	4,554
<i>Total Refuse</i>	<u>1,096,633</u>	<u>1,279,674</u>	<u>1,221,585</u>	<u>58,089</u>
Recycling				
Personal Services	\$98,662	\$98,662	\$69,281	\$29,381
Fringe Benefits	90,306	90,306	43,898	46,408
Contractual Services	55,798	71,479	65,238	6,241
Materials and Supplies	10,500	13,881	13,098	783
Other	0	938	0	938
<i>Total Recycling</i>	<u>255,266</u>	<u>275,266</u>	<u>191,515</u>	<u>83,751</u>
<i>Total Basic Utility Services</i>	<u>1,351,899</u>	<u>1,554,940</u>	<u>1,413,100</u>	<u>141,840</u>
Transportation				
Streets and Sidewalks				
Contractual Services	328,000	413,000	394,556	18,444
<i>Total Streets and Sidewalks</i>	<u>328,000</u>	<u>413,000</u>	<u>394,556</u>	<u>18,444</u>
<i>Total Transportation</i>	<u>328,000</u>	<u>413,000</u>	<u>394,556</u>	<u>18,444</u>
Capital Outlay:				
Capital Outlay	692,000	1,542,815	882,326	660,489
<i>Total Capital Outlay</i>	<u>692,000</u>	<u>1,542,815</u>	<u>882,326</u>	<u>660,489</u>
Debt Service:				
Principal Retirement	103,000	145,977	145,977	0
Interest and Fiscal Charges	63,800	66,032	66,032	0
<i>Total Debt Service</i>	<u>166,800</u>	<u>212,009</u>	<u>212,009</u>	<u>0</u>
<i>Total Expenditures</i>	<u>20,163,839</u>	<u>21,755,584</u>	<u>19,286,018</u>	<u>2,469,566</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,808,137)</u>	<u>(62,488)</u>	<u>1,794,518</u>	<u>1,857,006</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources (Uses)				
Transfers In	\$4,313,044	\$4,789,754	\$4,505,198	(\$284,556)
General Obligation Bonds Issued	0	547,000	547,000	0
Proceeds from Sale of Capital Assets	0	5,376	5,376	0
Advances In	250,000	0	0	0
Transfers Out	(1,858,202)	(4,316,867)	(6,182,341)	(1,865,474)
<i>Total Other Financing Sources (Uses)</i>	<u>2,704,842</u>	<u>1,025,263</u>	<u>(1,124,767)</u>	<u>(2,150,030)</u>
 <i>Net Change in Fund Balances</i>	 (1,103,295)	 962,775	 669,751	 (293,024)
 <i>Fund Balances at Beginning of Year</i>	 3,651,609	 3,651,609	 3,651,609	 0
 <i>Prior Year Encumbrances Appropriated</i>	 47,067	 47,067	 47,067	 0
 <i>Fund Balances at End of Year</i>	 <u>\$2,595,381</u>	 <u>\$4,661,451</u>	 <u>\$4,368,427</u>	 <u>(\$293,024)</u>

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,560,600	\$1,757,116	\$1,757,116	\$0
Intergovernmental	1,385,000	1,376,185	1,376,185	0
Interest	0	53	53	0
Other	28,365	36,146	12,721	(23,425)
<i>Total Revenues</i>	<u>2,973,965</u>	<u>3,169,500</u>	<u>3,146,075</u>	<u>(23,425)</u>
Expenditures:				
Current:				
Transportation				
Personal Services	480,446	475,431	419,034	56,397
Fringe Benefits	256,883	261,898	230,200	31,698
Contractual Services	261,377	255,628	249,869	5,759
Materials and Supplies	170,200	267,071	265,153	1,918
Other	0	104	0	104
<i>Total Transportation</i>	<u>1,168,906</u>	<u>1,260,132</u>	<u>1,164,256</u>	<u>95,876</u>
Capital Outlay:				
Capital Outlay	2,153,000	2,442,115	1,475,016	967,099
<i>Total Capital Outlay</i>	<u>2,153,000</u>	<u>2,442,115</u>	<u>1,475,016</u>	<u>967,099</u>
Debt Service:				
Principal Retirement	558,000	558,000	558,000	0
Interest and Fiscal Charges	85,950	85,950	85,950	0
<i>Total Debt Service</i>	<u>643,950</u>	<u>643,950</u>	<u>643,950</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,965,856</u>	<u>4,346,197</u>	<u>3,283,222</u>	<u>1,062,975</u>
<i>Excess of Revenues Under Expenditures</i>	(991,891)	(1,176,697)	(137,147)	1,039,550
Other Financing Sources (Uses)				
Transfers In	1,747,150	1,997,150	1,997,150	0
Bonds Issued	75,000	75,000	75,000	0
Transfers Out	(2,037,150)	(2,040,150)	(2,040,150)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(215,000)</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,206,891)	(1,144,697)	(105,147)	1,039,550
<i>Fund Balances at Beginning of Year</i>	<u>2,119,247</u>	<u>2,119,247</u>	<u>2,119,247</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$912,356</u>	<u>\$974,550</u>	<u>\$2,014,100</u>	<u>\$1,039,550</u>

City of Chillicothe

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

American Rescue Plan Act Fund

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$0	\$1,137,701	\$1,137,701	\$0
<i>Total Revenues</i>	0	1,137,701	1,137,701	0
 <i>Net Change in Fund Balances</i>	0	1,137,701	1,137,701	0
 <i>Fund Balances at Beginning of Year</i>	0	0	0	0
 <i>Fund Balances at End of Year</i>	\$0	\$1,137,701	\$1,137,701	\$0

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$780,300	\$880,150	\$880,150	\$0
Charges for Services	3,460,000	3,105,133	3,105,133	0
Intergovernmental	2,272,859	3,650,032	3,650,032	0
Interest	0	27	27	0
Other	201,701	191,152	91,086	(100,066)
<i>Total Revenues</i>	<i>6,714,860</i>	<i>7,826,494</i>	<i>7,726,428</i>	<i>(100,066)</i>
Expenditures:				
Current:				
Transportation				
Personal Services	1,785,570	1,679,293	1,519,391	159,902
Fringe Benefits	949,728	1,056,005	941,536	114,469
Travel Transportation	2,000	2,000	60	1,940
Contractual Services	3,392,246	3,448,494	3,179,191	269,303
Materials and Supplies	292,200	301,666	207,445	94,221
Capital Outlay	0	0	0	0
Other	500	500	28	472
<i>Total Transportation</i>	<i>6,422,244</i>	<i>6,487,958</i>	<i>5,847,651</i>	<i>640,307</i>
Capital Outlay:				
Capital Outlay	24,500	346,718	257,552	89,166
<i>Total Capital Outlay</i>	<i>24,500</i>	<i>346,718</i>	<i>257,552</i>	<i>89,166</i>
Debt Service:				
Principal Retirement	35,000	40,243	40,243	0
Interest and Fiscal Charges	28,350	28,807	28,807	0
<i>Total Debt Service</i>	<i>63,350</i>	<i>69,050</i>	<i>69,050</i>	<i>0</i>
<i>Total Expenditures</i>	<i>6,510,094</i>	<i>6,903,726</i>	<i>6,174,253</i>	<i>729,473</i>
<i>Excess of Revenues Over Expenditures</i>	<i>204,766</i>	<i>922,768</i>	<i>1,552,175</i>	<i>629,407</i>
Other Financing Sources (Uses)				
Transfers In	0	1,104,012	1,104,012	0
Proceeds from Sale of Capital Assets	0	24,573	24,573	0
Transfers Out	(47,000)	(1,152,512)	(1,125,512)	27,000
<i>Total Other Financing Sources (Uses)</i>	<i>(47,000)</i>	<i>(23,927)</i>	<i>3,073</i>	<i>27,000</i>
<i>Net Change in Fund Balances</i>	<i>157,766</i>	<i>898,841</i>	<i>1,555,248</i>	<i>656,407</i>
<i>Fund Balances at Beginning of Year</i>	<i>1,696,615</i>	<i>1,696,615</i>	<i>1,696,615</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>5,951</i>	<i>5,951</i>	<i>5,951</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$1,860,332</i>	<i>\$2,601,407</i>	<i>\$3,257,814</i>	<i>\$656,407</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$88,000	\$108,745	\$108,745	\$0
Other	0	307	307	0
<i>Total Revenues</i>	88,000	109,052	109,052	0
Expenditures:				
Capital Outlay:				
Capital Outlay	80,000	124,000	124,000	0
<i>Total Capital Outlay</i>	80,000	124,000	124,000	0
Debt Service:				
Principal Retirement	16,522	16,522	16,522	0
Interest and Fiscal Charges	3,139	3,139	3,139	0
<i>Total Debt Service</i>	19,661	19,661	19,661	0
<i>Total Expenditures</i>	99,661	143,661	143,661	0
<i>Net Change in Fund Balances</i>	(11,661)	(34,609)	(34,609)	0
<i>Fund Balances at Beginning of Year</i>	105,647	105,647	105,647	0
<i>Fund Balances at End of Year</i>	\$93,986	\$71,038	\$71,038	\$0

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$585,225	\$660,114	\$660,114	\$0
Charges for Services	116,000	91,049	90,099	(950)
Interest	0	20	20	0
Contributions and Donations	1,000	3,800	3,800	0
Other	28,610	16,330	1,255	(15,075)
<i>Total Revenues</i>	<u>730,835</u>	<u>771,313</u>	<u>755,288</u>	<u>(16,025)</u>
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Personal Services	363,317	353,317	328,922	24,395
Fringe Benefits	251,712	261,712	167,332	94,380
Contractual Services	57,098	64,237	63,806	431
Materials and Supplies	46,500	52,715	52,688	27
Other	500	563	313	250
<i>Total Parks and Recreation</i>	<u>719,127</u>	<u>732,544</u>	<u>613,061</u>	<u>119,483</u>
Swimming Pool				
Personal Services	67,000	67,000	54,651	12,349
Fringe Benefits	13,000	13,000	8,443	4,557
Contractual Services	14,100	8,697	8,694	3
Materials and Supplies	34,300	38,232	38,230	2
Other	600	2,071	1,371	700
<i>Total Swimming Pool</i>	<u>129,000</u>	<u>129,000</u>	<u>111,389</u>	<u>17,611</u>
<i>Total Leisure Time Services</i>	<u>848,127</u>	<u>861,544</u>	<u>724,450</u>	<u>137,094</u>
Debt Service:				
Principal Retirement	0	1,285	1,285	0
Interest and Fiscal Charges	0	90	90	0
<i>Total Debt Service</i>	<u>0</u>	<u>1,375</u>	<u>1,375</u>	<u>0</u>
<i>Total Expenditures</i>	<u>848,127</u>	<u>862,919</u>	<u>725,825</u>	<u>137,094</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(117,292)</u>	<u>(91,606)</u>	<u>29,463</u>	<u>121,069</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	0	4,501	4,501	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>4,501</u>	<u>4,501</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(117,292)</u>	<u>(87,105)</u>	<u>33,964</u>	<u>121,069</u>
<i>Fund Balances at Beginning of Year</i>	<u>247,199</u>	<u>247,199</u>	<u>247,199</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$129,907</u>	<u>\$160,094</u>	<u>\$281,163</u>	<u>\$121,069</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$0	\$5,218	\$5,218	\$0
Intergovernmental	115,000	140,497	15,000	(125,497)
Interest	0	3	3	0
<i>Total Revenues</i>	<u>115,000</u>	<u>145,718</u>	<u>20,221</u>	<u>(125,497)</u>
Expenditures:				
Current:				
Community Environment				
Rehabilitation and Development				
Contractual Services	0	165,809	15,000	150,809
<i>Total Rehabilitation and Development</i>	<u>0</u>	<u>165,809</u>	<u>15,000</u>	<u>150,809</u>
<i>Total Community Environment</i>	<u>0</u>	<u>165,809</u>	<u>15,000</u>	<u>150,809</u>
<i>Total Expenditures</i>	<u>0</u>	<u>165,809</u>	<u>15,000</u>	<u>150,809</u>
<i>Net Change in Fund Balances</i>	115,000	(20,091)	5,221	25,312
<i>Fund Balances at Beginning of Year</i>	<u>20,092</u>	<u>20,092</u>	<u>20,092</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$135,092</u>	<u>\$1</u>	<u>\$25,313</u>	<u>\$25,312</u>

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$154,209	\$171,737	\$171,737	\$0
<i>Total Revenues</i>	154,209	171,737	171,737	0
Expenditures:				
Current:				
General Government				
Victim Witness				
Personal Services	36,709	36,709	36,709	0
<i>Total Victim Witness</i>	36,709	36,709	36,709	0
<i>Total General Government</i>	36,709	36,709	36,709	0
<i>Security of Persons and Property</i>				
Fire				
Personal Services	117,500	152,500	135,029	17,471
<i>Total Fire</i>	117,500	152,500	135,029	17,471
<i>Total Security of Persons and Property</i>	117,500	152,500	135,029	17,471
<i>Total Expenditures</i>	154,209	189,209	171,738	17,471
<i>Net Change in Fund Balances</i>	0	(17,472)	(1)	17,471
<i>Fund Balances at Beginning of Year</i>	89,816	89,816	89,816	0
<i>Fund Balances at End of Year</i>	\$89,816	\$72,344	\$89,815	\$17,471

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, 2021*

	<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>	5,765	5,765	5,765	0
<i>Fund Balances at End of Year</i>	<u>\$5,765</u>	<u>\$5,765</u>	<u>\$5,765</u>	<u>\$0</u>

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$7,500	\$9,604	\$9,604	\$0
Intergovernmental	0	14,370	14,370	0
<i>Total Revenues</i>	<u>7,500</u>	<u>23,974</u>	<u>23,974</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	25,000	25,000	1,320	23,680
<i>Total Police</i>	<u>25,000</u>	<u>25,000</u>	<u>1,320</u>	<u>23,680</u>
<i>Total Security of Persons and Property</i>	<u>25,000</u>	<u>25,000</u>	<u>1,320</u>	<u>23,680</u>
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>1,320</u>	<u>23,680</u>
<i>Net Change in Fund Balances</i>	(17,500)	(1,026)	22,654	23,680
<i>Fund Balances at Beginning of Year</i>	<u>44,101</u>	<u>44,101</u>	<u>44,101</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$26,601</u>	<u>\$43,075</u>	<u>\$66,755</u>	<u>\$23,680</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$25,000	\$23,643	\$23,643	\$0
<i>Total Revenues</i>	25,000	23,643	23,643	0
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Contractual Services	50,000	50,000	0	50,000
Other	89,720	89,720	0	89,720
<i>Total Police</i>	139,720	139,720	0	139,720
<i>Total Security of Persons and Property</i>	139,720	139,720	0	139,720
<i>Total Expenditures</i>	139,720	139,720	0	139,720
<i>Net Change in Fund Balances</i>	(114,720)	(116,077)	23,643	139,720
<i>Fund Balances at Beginning of Year</i>	285,179	285,179	285,179	0
<i>Fund Balances at End of Year</i>	\$170,459	\$169,102	\$308,822	\$139,720

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$2,550	\$1,401	\$1,401	\$0
<i>Total Revenues</i>	2,550	1,401	1,401	0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	2,550	1,401	1,401	0
<i>Fund Balances at Beginning of Year</i>	24,518	24,518	24,518	0
<i>Fund Balances at End of Year</i>	\$27,068	\$25,919	\$25,919	\$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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$3,000	\$1,048	\$1,048	\$0
<i>Total Revenues</i>	3,000	1,048	1,048	0
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	3,000	3,000	0	3,000
<i>Total Police</i>	3,000	3,000	0	3,000
<i>Total Security of Persons and Property</i>	3,000	3,000	0	3,000
<i>Total Expenditures</i>	3,000	3,000	0	3,000
<i>Net Change in Fund Balances</i>	0	(1,952)	1,048	3,000
<i>Fund Balances at Beginning of Year</i>	9,293	9,293	9,293	0
<i>Fund Balances at End of Year</i>	\$9,293	\$7,341	\$10,341	\$3,000

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$22,000	\$53,072	\$53,072	\$0
Fines, Licenses, and Permits	25,000	11,009	11,009	0
Other	5,566	38,876	35,143	(3,733)
<i>Total Revenues</i>	<u>52,566</u>	<u>102,957</u>	<u>99,224</u>	<u>(3,733)</u>
Expenditures:				
Current:				
Transportation				
Traffic Control and Parking Facility				
Personal Services	104,076	103,240	97,967	5,273
Fringe Benefits	49,983	50,931	45,810	5,121
Contractual Services	7,000	9,732	8,463	1,269
Materials and Supplies	16,000	41,265	40,250	1,015
<i>Total Traffic Control and Parking Facility</i>	<u>177,059</u>	<u>205,168</u>	<u>192,490</u>	<u>12,678</u>
<i>Total Transportation</i>	<u>177,059</u>	<u>205,168</u>	<u>192,490</u>	<u>12,678</u>
Capital Outlay:				
Capital Outlay	150,000	223,480	157,948	65,532
<i>Total Capital Outlay</i>	<u>150,000</u>	<u>223,480</u>	<u>157,948</u>	<u>65,532</u>
<i>Total Expenditures</i>	<u>327,059</u>	<u>428,648</u>	<u>350,438</u>	<u>78,210</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(274,493)</u>	<u>(325,691)</u>	<u>(251,214)</u>	<u>74,477</u>
Other Financing Sources (Uses)				
Transfers In	145,000	190,980	145,000	(45,980)
General Obligation Bonds Issued	150,000	150,000	150,000	0
Transfers Out	(20,000)	(20,000)	(20,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>275,000</u>	<u>320,980</u>	<u>275,000</u>	<u>(45,980)</u>
<i>Net Change in Fund Balances</i>	<u>507</u>	<u>(4,711)</u>	<u>23,786</u>	<u>28,497</u>
<i>Fund Balances at Beginning of Year</i>	<u>112,387</u>	<u>112,387</u>	<u>112,387</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$112,894</u>	<u>\$107,676</u>	<u>\$136,173</u>	<u>\$28,497</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$138,331	\$138,181	\$127,637	(\$10,544)
Intergovernmental	14,000	18,963	14,854	(4,109)
<i>Total Revenues</i>	<u>152,331</u>	<u>157,144</u>	<u>142,491</u>	<u>(14,653)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Pension and Disability				
Fringe Benefits	694,449	694,287	550,191	144,096
Other	2,550	2,712	2,712	0
<i>Total Police Pension and Disability</i>	<u>696,999</u>	<u>696,999</u>	<u>552,903</u>	<u>144,096</u>
<i>Total Security of Persons and Property</i>	<u>696,999</u>	<u>696,999</u>	<u>552,903</u>	<u>144,096</u>
Debt Service:				
Principal Retirement	7,910	7,910	7,910	0
Interest and Fiscal Charges	915	915	915	0
<i>Total Debt Service</i>	<u>8,825</u>	<u>8,825</u>	<u>8,825</u>	<u>0</u>
<i>Total Expenditures</i>	<u>705,824</u>	<u>705,824</u>	<u>561,728</u>	<u>144,096</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(553,493)</u>	<u>(548,680)</u>	<u>(419,237)</u>	<u>129,443</u>
Other Financing Sources				
Transfers In	494,191	521,479	408,481	(112,998)
<i>Total Other Financing Sources</i>	<u>494,191</u>	<u>521,479</u>	<u>408,481</u>	<u>(112,998)</u>
<i>Net Change in Fund Balances</i>	<u>(59,302)</u>	<u>(27,201)</u>	<u>(10,756)</u>	<u>16,445</u>
<i>Fund Balances at Beginning of Year</i>	<u>30,755</u>	<u>30,755</u>	<u>30,755</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>(\$28,547)</u></u>	<u><u>\$3,554</u></u>	<u><u>\$19,999</u></u>	<u><u>\$16,445</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$138,331	\$127,637	\$127,637	\$0
Intergovernmental	14,050	14,854	14,854	0
<i>Total Revenues</i>	<u>152,381</u>	<u>142,491</u>	<u>142,491</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Pension and Disability				
Fringe Benefits	811,336	811,174	797,347	13,827
Other	2,550	2,712	2,712	0
<i>Total Fire Pension and Disability</i>	<u>813,886</u>	<u>813,886</u>	<u>800,059</u>	<u>13,827</u>
<i>Total Security of Persons and Property</i>	<u>813,886</u>	<u>813,886</u>	<u>800,059</u>	<u>13,827</u>
Debt Service:				
Principal Retirement	27,090	27,090	27,090	0
Interest and Fiscal Charges	3,135	3,135	3,135	0
<i>Total Debt Service</i>	<u>30,225</u>	<u>30,225</u>	<u>30,225</u>	<u>0</u>
<i>Total Expenditures</i>	<u>844,111</u>	<u>844,111</u>	<u>830,284</u>	<u>13,827</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(691,730)</u>	<u>(701,620)</u>	<u>(687,793)</u>	<u>13,827</u>
Other Financing Sources				
Transfers In	693,155	696,115	696,115	0
<i>Total Other Financing Sources</i>	<u>693,155</u>	<u>696,115</u>	<u>696,115</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>1,425</u>	<u>(5,505)</u>	<u>8,322</u>	<u>13,827</u>
<i>Fund Balances at Beginning of Year</i>	<u>11,677</u>	<u>11,677</u>	<u>11,677</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$13,102</u></u>	<u><u>\$6,172</u></u>	<u><u>\$19,999</u></u>	<u><u>\$13,827</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other	\$0	\$93,535	\$57,396	(\$36,139)
<i>Total Revenues</i>	0	93,535	57,396	(36,139)
Expenditures:				
Current:				
General Government				
Law Director				
Materials and Supplies	0	1,650	1,650	0
<i>Total Law Director</i>	0	1,650	1,650	0
Auditor				
Materials and Supplies	0	10,000	10,000	0
<i>Total Auditor</i>	0	10,000	10,000	0
Miscellaneous				
Materials and Supplies	0	71	71	0
<i>Total Miscellaneous</i>	0	71	71	0
<i>Total General Government</i>	0	11,721	11,721	0
Basic Utility Services				
Other	0	62,070	62,070	0
<i>Total Basic Utility Services</i>	0	62,070	62,070	0
Transportation				
Materials and Supplies	0	6,200	6,200	0
<i>Total Transportation</i>	0	6,200	6,200	0
Capital Outlay:				
Capital Outlay	0	169,667	133,528	36,139
<i>Total Capital Outlay</i>	0	169,667	133,528	36,139
<i>Total Expenditures</i>	0	249,658	213,519	36,139
<i>Net Change in Fund Balances</i>	0	(156,123)	(156,123)	0
<i>Fund Balances at Beginning of Year</i>	156,127	156,127	156,127	0
<i>Fund Balances at End of Year</i>	\$156,127	\$4	\$4	\$0

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other	\$0	\$4,000	\$4,000	\$0
<i>Total Revenues</i>	0	4,000	4,000	0
Expenditures:				
Debt Service:				
Interest and Fiscal Charges	64,550	0	0	0
<i>Total Debt Service</i>	64,550	0	0	0
<i>Total Expenditures</i>	64,550	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(64,550)	4,000	4,000	0
Other Financing Uses				
Transfers Out	0	(64,550)	0	64,550
<i>Total Other Financing Uses</i>	0	(64,550)	0	64,550
<i>Net Change in Fund Balances</i>	(64,550)	(60,550)	4,000	64,550
<i>Fund Balances at Beginning of Year</i>	228,333	228,333	228,333	0
<i>Fund Balances at End of Year</i>	\$163,783	\$167,783	\$232,333	\$64,550

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, 2021

	<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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$520,000	\$520,000	\$0	(\$520,000)
<i>Total Revenues</i>	\$520,000	\$520,000	\$0	(\$520,000)
Expenditures:				
Capital Outlay				
Capital Outlay	520,000	520,000	0	520,000
<i>Total Capital Outlay</i>	520,000	520,000	0	520,000
<i>Total Expenditures</i>	520,000	520,000	0	520,000
<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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$780,300	\$880,150	\$880,150	\$0
Intergovernmental	0	0	0	0
Interest	0	27	27	0
Other	0	26,706	26,706	0
<i>Total Revenues</i>	<u>780,300</u>	<u>906,883</u>	<u>906,883</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Fringe Benefits	10,000	11,494	3,054	8,440
Contractual Services	49,700	20,267	4,539	15,728
Other	14,000	1,100	0	1,100
<i>Total Police</i>	<u>73,700</u>	<u>32,861</u>	<u>7,593</u>	<u>25,268</u>
Security of Persons and Property				
Fire				
Contractual Services	300	300	0	300
<i>Total Fire</i>	<u>300</u>	<u>300</u>	<u>0</u>	<u>300</u>
<i>Total Security of Persons and Property</i>	<u>74,000</u>	<u>33,161</u>	<u>7,593</u>	<u>25,568</u>
Capital Outlay:				
Capital Outlay	698,390	1,058,063	772,177	285,886
<i>Total Capital Outlay</i>	<u>698,390</u>	<u>1,058,063</u>	<u>772,177</u>	<u>285,886</u>
Debt Service:				
Principal Retirement	265,912	346,957	330,857	16,100
Interest and Fiscal Charges	31,676	34,939	24,830	10,109
<i>Total Debt Service</i>	<u>297,588</u>	<u>381,896</u>	<u>355,687</u>	<u>26,209</u>
<i>Total Expenditures</i>	<u>1,069,978</u>	<u>1,473,120</u>	<u>1,135,457</u>	<u>337,663</u>
<i>Excess of Revenues Under Expenditures</i>	(289,678)	(566,237)	(228,574)	337,663
Other Financing Sources (Uses)				
Transfers In	0	31,390	0	(31,390)
General Obligation Bonds Issued	330,380	330,390	330,390	0
Transfers Out	(20,000)	(21,500)	(21,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>310,380</u>	<u>340,280</u>	<u>308,890</u>	<u>(31,390)</u>
<i>Net Change in Fund Balances</i>	20,702	(225,957)	80,316	306,273
<i>Fund Balances at Beginning of Year</i>	551,163	551,163	551,163	0
<i>Prior Year Encumbrances Appropriated</i>	227,594	227,594	227,594	0
<i>Fund Balances at End of Year</i>	<u>\$799,459</u>	<u>\$552,800</u>	<u>\$859,073</u>	<u>\$306,273</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$195,075	\$220,038	\$220,038	\$0
Intergovernmental	68,119	318,090	59,354	(258,736)
Interest	0	7	7	0
Contributions and Donations	0	7,712	7,712	0
Other	15,000	40	40	0
<i>Total Revenues</i>	<u>278,194</u>	<u>545,887</u>	<u>287,151</u>	<u>(258,736)</u>
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Contractual Services	100	100	0	100
<i>Total Parks and Recreation</i>	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
<i>Total Leisure Time Services</i>	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Capital Outlay:				
Capital Outlay	468,007	762,796	289,301	473,495
<i>Total Capital Outlay</i>	<u>468,007</u>	<u>762,796</u>	<u>289,301</u>	<u>473,495</u>
Debt Service:				
Principal Retirement	18,000	18,000	18,000	0
Interest and Fiscal Charges	19,800	19,800	19,800	0
<i>Total Debt Service</i>	<u>37,800</u>	<u>37,800</u>	<u>37,800</u>	<u>0</u>
<i>Total Expenditures</i>	<u>505,907</u>	<u>800,696</u>	<u>327,101</u>	<u>473,595</u>
<i>Excess of Revenues Under Expenditures</i>	(227,713)	(254,809)	(39,950)	214,859
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	90,000	90,000	0
Transfers Out	(170,000)	(171,500)	(21,500)	150,000
<i>Total Other Financing Sources (Uses)</i>	<u>(170,000)</u>	<u>(81,500)</u>	<u>68,500</u>	<u>150,000</u>
<i>Net Change in Fund Balances</i>	(397,713)	(336,309)	28,550	364,859
<i>Fund Balances at Beginning of Year</i>	<u>416,138</u>	<u>416,138</u>	<u>416,138</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$18,425</u>	<u>\$79,829</u>	<u>\$444,688</u>	<u>\$364,859</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest	\$15	\$8	\$8	\$0
<i>Total Revenues</i>	15	8	8	0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	15	8	8	0
<i>Fund Balances at Beginning of Year</i>	3,370	3,370	3,370	0
<i>Fund Balances at End of Year</i>	\$3,385	\$3,378	\$3,378	\$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, 2021

	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	41,447	41,447	29,375	12,072
Materials and Supplies	5,600	5,600	1,931	3,669
<i>Total Floodwall Maintenance</i>	<u>47,047</u>	<u>47,047</u>	<u>31,306</u>	<u>15,741</u>
<i>Total Community Environment</i>	<u>47,047</u>	<u>47,047</u>	<u>31,306</u>	<u>15,741</u>
Capital Outlay:				
Capital Outlay	85,000	85,000	65,116	19,884
<i>Total Capital Outlay</i>	<u>85,000</u>	<u>85,000</u>	<u>65,116</u>	<u>19,884</u>
<i>Total Expenditures</i>	<u>132,047</u>	<u>132,047</u>	<u>96,422</u>	<u>35,625</u>
<i>Excess of Revenues Under Expenditures</i>	(132,047)	(132,047)	(96,422)	35,625
Other Financing Sources				
Transfers In	47,047	47,047	47,047	0
General Obligation Bonds Issued	85,000	40,000	40,000	0
Proceeds from Sale of Capital Assets	0	2,475	2,475	0
<i>Total Other Financing Sources</i>	<u>132,047</u>	<u>89,522</u>	<u>89,522</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(42,525)	(6,900)	35,625
<i>Fund Balances at Beginning of Year</i>	<u>43,692</u>	<u>43,692</u>	<u>43,692</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$43,692</u>	<u>\$1,167</u>	<u>\$36,792</u>	<u>\$35,625</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, 2021

	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	2,500	2,500	0	2,500
Other	0	0	0	0
<i>Total Public Health</i>	2,500	2,500	0	2,500
Capital Outlay:				
Capital Outlay	45,000	45,000	30,924	14,076
<i>Total Capital Outlay</i>	45,000	45,000	30,924	14,076
Debt Service:				
Principal Retirement	3,478	3,478	3,478	0
Interest and Fiscal Charges	760	760	661	99
<i>Total Debt Service</i>	4,238	4,238	4,139	99
<i>Total Expenditures</i>	51,738	51,738	35,063	16,675
<i>Excess of Revenues Under Expenditures</i>	(51,738)	(51,738)	(35,063)	16,675
Other Financing Sources (Uses)				
Transfers In	48,000	48,000	48,000	0
Transfers Out	0	(2,900)	0	2,900
<i>Total Other Financing Sources (Uses)</i>	48,000	45,100	48,000	2,900
<i>Net Change in Fund Balances</i>	(3,738)	(6,638)	12,937	19,575
<i>Fund Balances at Beginning of Year</i>	8,777	8,777	8,777	0
<i>Fund Balances at End of Year</i>	\$5,039	\$2,139	\$21,714	\$19,575

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay:				
Capital Outlay	25,000	25,000	25,000	0
<i>Total Capital Outlay</i>	25,000	25,000	25,000	0
<i>Total Expenditures</i>	25,000	25,000	25,000	0
<i>Excess of Revenues Under Expenditures</i>	(25,000)	(25,000)	(25,000)	0
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>	(15,000)	(15,000)	(15,000)	0
<i>Fund Balances at Beginning of Year</i>	24,465	24,465	24,465	0
<i>Fund Balances at End of Year</i>	\$9,465	\$9,465	\$9,465	\$0

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other	\$8,000	\$12,194	\$12,194	\$0
<i>Total Revenues</i>	8,000	12,194	12,194	0
Expenditures:				
Current:				
General Government				
Monies Claimed				
Other	1,000	1,000	228	772
<i>Total Monies Claimed</i>	1,000	1,000	228	772
<i>Total General Government</i>	1,000	1,000	228	772
<i>Total Expenditures</i>	1,000	1,000	228	772
<i>Net Change in Fund Balances</i>	7,000	11,194	11,966	772
<i>Fund Balances at Beginning of Year</i>	118,451	118,451	118,451	0
<i>Fund Balances at End of Year</i>	\$125,451	\$129,645	\$130,417	\$772

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$60,000	\$54,508	\$54,508	\$0
<i>Total Revenues</i>	60,000	54,508	54,508	0
Expenditures:				
Current:				
General Government				
Postage Services				
Materials and Supplies	60,000	60,000	51,342	8,658
<i>Total Postage Services</i>	60,000	60,000	51,342	8,658
<i>Total General Government</i>	60,000	60,000	51,342	8,658
<i>Total Expenditures</i>	60,000	60,000	51,342	8,658
<i>Net Change in Fund Balances</i>	0	(5,492)	3,166	8,658
<i>Fund Balances at Beginning of Year</i>	17,065	17,065	17,065	0
<i>Fund Balances at End of Year</i>	\$17,065	\$11,573	\$20,231	\$8,658

City of Chillicothe, Ohio
Proprietary Fund Descriptions

Nonmajor Internal Service Funds

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.

JHP Self-Insurance Program

To account for the self-insurance program of the City.

City of Chillicothe
Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2021

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$84,539	\$0	\$84,539
Cash and Cash Equivalents with Fiscal Agents	0	1,799,548	1,799,548
<i>Total Current Assets</i>	<u>84,539</u>	<u>1,799,548</u>	<u>1,884,087</u>
 <i>Total Assets</i>	 84,539	 1,799,548	 1,884,087
Liabilities:			
<i>Current:</i>			
Accounts Payable	7,855	0	7,855
Claims Payable	0	788,689	788,689
<i>Total Current Liabilities</i>	<u>7,855</u>	<u>788,689</u>	<u>796,544</u>
 <i>Total Liabilities</i>	 7,855	 788,689	 796,544
Net Position:			
Unrestricted	76,684	1,010,859	1,087,543
<i>Total Net Position</i>	<u>\$76,684</u>	<u>\$1,010,859</u>	<u>\$1,087,543</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2021

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$365,159	\$6,435,175	\$6,800,334
<i>Total Operating Revenues</i>	<u>365,159</u>	<u>6,435,175</u>	<u>6,800,334</u>
Operating Expenses:			
Contractual Services	103	919,042	919,145
Materials and Supplies	361,345	0	361,345
Claims	0	4,200,370	4,200,370
<i>Total Operating Expenses</i>	<u>361,448</u>	<u>5,119,412</u>	<u>5,480,860</u>
<i>Operating Income</i>	3,711	1,315,763	1,319,474
Nonoperating Revenues			
Interest	0	10,988	10,988
<i>Total Nonoperating Revenues</i>	<u>0</u>	<u>10,988</u>	<u>10,988</u>
<i>Change in Net Position</i>	3,711	1,326,751	1,330,462
<i>Net Position Beginning of Year-Restated</i>	<u>72,973</u>	<u>(315,892)</u>	<u>(242,919)</u>
<i>Net Position End of Year</i>	<u>\$76,684</u>	<u>\$1,010,859</u>	<u>\$1,087,543</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$365,159	\$6,435,175	\$6,800,334
Cash Payments for Claims	0	(4,034,560)	(4,034,560)
Cash Payments for Contractual Services	(103)	(919,042)	(919,145)
Cash Payments for Supplies and Materials	(353,490)	0	(353,490)
<i>Net Cash Provided (Used) by Operating Activities</i>	11,566	1,481,573	1,493,139
Cash Flows from Investing Activities			
Investment Earnings	0	10,988	10,988
<i>Net Cash Provided by Investing Activities</i>	0	10,988	10,988
<i>Net Change in Cash and Cash Equivalents</i>	11,566	1,492,561	1,504,127
<i>Cash and Cash Equivalents Beginning of Year-Restated</i>	72,973	306,987	379,960
<i>Cash and Cash Equivalents End of Year</i>	\$84,539	\$1,799,548	\$1,884,087
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$3,711	\$1,315,763	\$1,319,474
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>			
<i>Changes in Liabilities:</i>			
Increase in Accounts Payable	7,855	0	7,855
Increase in Claims Payable	0	165,810	165,810
<i>Net Cash Provided (Used) by Operating Activities</i>	\$11,566	\$1,481,573	\$1,493,139

See accompanying notes to the basic financial statements.

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, 2021

	Deposits Custodial	Municipal Court	Total Custodial Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$38,020	\$0	\$38,020
Cash and Cash Equivalents in Segregated Accounts	0	128,423	128,423
<i>Total Assets</i>	38,020	128,423	166,443
Liabilities:			
Intergovernmental Payable	0	43,367	43,367
<i>Total Liabilities</i>	0	43,367	43,367
Net Position:			
Restricted for Individuals, Organizations, and Other Governments	38,020	85,056	123,076
<i>Total Net Position</i>	<u>\$38,020</u>	<u>\$85,056</u>	<u>\$123,076</u>

City of Chillicothe
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	Deposits Custodial	Municipal Court	Total Custodial Funds
Additions:			
Fines and Forfeitures for Other Governments	\$321	\$1,585,445	\$1,585,766
<i>Total Additions</i>	321	1,585,445	1,585,766
Deductions:			
Fines and Forfeitures Distributions to Other Governments	406	1,500,389	1,500,795
<i>Total Deductions</i>	406	1,500,389	1,500,795
 <i>Change in Net Position</i>	 (85)	 85,056	 84,971
 <i>Net Position at Beginning of Year-Restated</i>	 38,105	 0	 38,105
 <i>Net Position at End of Year</i>	 \$38,020	 \$85,056	 \$123,076

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Statistical Section

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

<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.	156-167
<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.	168-175
<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.	176-182
<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.	183-184
<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.	185-193

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

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

	2012	2013	2014	2015
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$37,188,766	\$36,003,964	\$34,537,906	\$31,019,197
<i>Restricted:</i>				
Debt Service	14,956	1,940	3,152	2,720
Capital Projects	587,122	753,555	874,538	691,212
<i>Permanent Fund:</i>				
Expendable	2,250	2,265	2,265	2,295
Nonexpendable	1,000	1,000	1,000	1,000
Street Maintenance and Repair	597,155	577,311	493,184	0
Bus Transit	144,362	454,151	585,710	719,872
Housing and Urban Development Program	630,777	211,626	88,716	90,128
Unclaimed Monies	65,497	71,744	77,778	84,470
Other Purposes	704,766	846,293	906,132	1,070,940
Unrestricted (Deficit)	(273,582)	575,723	(14,972,673)	(12,599,357)
<i>Total Governmental Activities Net Position</i>	<u>\$39,663,069</u>	<u>\$39,499,572</u>	<u>\$22,597,708</u>	<u>\$21,082,477</u>
<i>Business Type - Activities</i>				
Net Investment in Capital Assets	\$32,431,229	\$32,846,152	\$33,479,256	\$33,549,707
<i>Restricted:</i>				
Debt Service	1,283,936	1,351,634	1,351,634	4
Capital Projects	1,818,467	1,818,467	1,818,467	618,468
Unrestricted	4,928,272	4,914,405	3,032,263	6,210,997
<i>Total Business-Type Activities Net Position</i>	<u>\$40,461,904</u>	<u>\$40,930,658</u>	<u>\$39,681,620</u>	<u>\$40,379,176</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$69,619,995	\$68,850,116	\$68,017,162	\$64,568,904
Restricted	5,850,288	6,089,986	6,202,576	3,281,109
Unrestricted	4,654,690	5,490,128	(11,940,410)	(6,388,360)
<i>Total Primary Government Net Position</i>	<u>\$80,124,973</u>	<u>\$80,430,230</u>	<u>\$62,279,328</u>	<u>\$61,461,653</u>

*Restated in 2018.

**Restated in 2021.

	*			**	
2016	2017	2018	2019	2020	2021
\$29,083,001	\$26,212,133	\$26,307,894	\$25,181,090	\$33,846,619	\$34,212,897
0	0	83,515	196,466	228,332	232,332
783,956	685,762	1,258,733	1,060,549	2,189,035	3,758,796
2,310	2,325	2,340	2,355	2,370	2,378
1,000	1,000	1,000	1,000	1,000	1,000
2,507,600	3,618,733	2,839,067	2,451,875	2,927,685	3,318,877
745,369	1,085,982	698,018	695,352	900,330	1,994,197
62,535	57,633	79,940	13,430	20,092	25,313
88,739	96,200	102,950	110,985	118,451	130,417
1,171,945	1,188,462	1,118,385	1,090,068	1,301,385	1,347,137
(15,464,626)	(32,054,419)	(35,176,908)	(26,910,596)	(28,157,047)	(21,886,343)
<u>\$18,981,829</u>	<u>\$893,811</u>	<u>(\$2,685,066)</u>	<u>\$3,892,574</u>	<u>\$13,378,252</u>	<u>\$23,137,001</u>
\$33,244,740	\$33,483,988	\$33,067,316	\$32,231,325	\$31,860,203	\$33,237,984
4	4	4	4	4	0
618,468	618,466	618,466	618,466	618,466	618,466
6,856,475	4,814,012	5,207,250	5,148,565	5,563,635	4,866,709
<u>\$40,719,687</u>	<u>\$38,916,470</u>	<u>\$38,893,036</u>	<u>\$37,998,360</u>	<u>\$38,042,308</u>	<u>\$38,723,159</u>
\$62,327,741	\$59,696,121	\$59,375,210	\$57,412,415	\$65,706,822	\$67,450,881
5,981,926	7,354,567	6,802,418	6,240,550	8,307,150	11,428,913
(8,608,151)	(27,240,407)	(29,969,658)	(21,762,031)	(22,593,412)	(17,019,634)
<u>\$59,701,516</u>	<u>\$39,810,281</u>	<u>\$36,207,970</u>	<u>\$41,890,934</u>	<u>\$51,420,560</u>	<u>\$61,860,160</u>

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

	2012	2013	2014	2015
Program Revenues				
<i>Governmental Activities</i>				
<i>Charges for Services:</i>				
General Government	\$2,198,878	\$2,064,040	\$2,206,675	\$2,326,602
Security of Persons and Property:				
Police	62,719	43,245	42,685	49,952
Fire	1,128,525	1,090,048	1,136,677	999,256
Leisure Time Activities	125,053	72,920	109,667	91,472
Community Environment	0	0	0	0
Basic Utility Services	939,539	1,620,594	1,460,742	1,461,615
Transportation	1,200,451	1,159,503	2,038,070	2,345,012
Subtotal - Charges for Services	5,655,165	6,050,350	6,994,516	7,273,909
<i>Operating Grants and Contributions:</i>				
General Government	225,772	224,910	212,942	0
Security of Persons and Property:				
Police	29,330	132,204	74,464	33,611
Fire	155,117	254,413	30,317	19,502
Leisure Time Activities	19,877	5,938	17,440	0
Community Environment	1,127,170	50,375	120,686	83,757
Basic Utility Services	0	0	0	0
Transportation	2,341,454	3,524,770	2,464,472	2,676,569
Subtotal - Operating Grants and Contributions	3,898,720	4,192,610	2,920,321	2,813,439
<i>Capital Grants and Contributions:</i>				
Leisure Time Activities	0	33,997	4,960	0
Transportation	464,966	99,608	60,131	330,000
Subtotal - Capital Grants and Contributions	464,966	133,605	65,091	330,000
<i>Total Governmental Activities Program Revenues</i>	10,018,851	10,376,565	9,979,928	10,417,348
<i>Business-Type Activities</i>				
<i>Charges for Services</i>				
Water	3,747,483	4,467,383	4,343,590	4,389,716
Sewer	2,658,330	3,189,215	3,026,390	3,091,530
Subtotal - Charges for Services	6,405,813	7,656,598	7,369,980	7,481,246
<i>Operating Grants and Contributions:</i>				
Sewer	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	6,405,813	7,656,598	7,369,980	7,481,246
<i>Total Primary Government Program Revenues</i>	\$16,424,664	\$18,033,163	\$17,349,908	\$17,898,594

2016	2017	2018	2019	2020	2021
\$2,483,728	\$2,675,760	\$2,373,866	\$2,224,889	\$1,641,839	\$511,100
33,477	41,252	34,761	39,815	161,998	446,103
1,037,872	1,068,942	1,048,201	1,091,456	1,108,592	1,547,986
114,592	111,831	109,365	96,761	6,700	91,258
0	0	0	0	10,832	5,223
1,455,317	1,452,727	1,485,124	1,643,182	1,924,929	2,132,101
1,959,322	2,228,577	4,486,010	5,202,451	3,603,228	3,685,861
7,084,308	7,579,089	9,537,327	10,298,554	8,458,118	8,419,632
0	6,843	0	0	999,389	248,094
14,800	41,146	235,623	393,488	92,262	68,241
14,017	14,140	14,110	14,482	160,401	96,724
0	0	0	0	26,199	40,302
69,041	47,704	13,450	363,546	833,215	15,003
0	0	0	0	27,032	0
2,664,810	2,434,016	2,082,423	2,457,636	4,368,114	5,668,572
2,762,668	2,543,849	2,345,606	3,229,152	6,506,612	6,136,936
10,000	0	56,802	83,569	0	125,094
95,450	420,773	603,450	512,747	0	46,841
105,450	420,773	660,252	596,316	0	171,935
9,952,426	10,543,711	12,543,185	14,124,022	14,964,730	14,728,503
4,276,662	4,345,361	4,421,534	4,382,532	4,707,309	3,966,842
3,044,372	3,171,156	3,430,191	3,488,525	3,832,193	3,245,765
7,321,034	7,516,517	7,851,725	7,871,057	8,539,502	7,212,607
0	0	0	0	0	22,786
7,321,034	7,516,517	7,851,725	7,871,057	8,539,502	7,235,393
\$17,273,460	\$18,060,228	\$20,394,910	\$21,995,079	\$23,504,232	\$21,963,896

(continued)

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

	2012	2013	2014	2015
Expenses				
<i>Governmental Activities</i>				
General Government	\$5,699,394	\$5,333,744	\$5,100,298	\$5,586,664
Security of Persons and Property:				
Police	5,537,262	5,414,997	5,338,983	5,207,081
Fire	5,692,471	5,586,698	5,564,205	5,263,397
Leisure Time Activities	933,458	617,180	775,554	789,943
Community Environment	930,752	833,234	603,419	445,176
Basic Utility Services	920,910	752,633	1,108,199	898,156
Transportation	6,321,374	6,134,684	6,402,993	8,356,705
Interest and Fiscal Charges	115,936	125,816	167,577	177,562
Issuance Costs	0	156,699	0	6,928
<i>Total Governmental Activities Expenses</i>	<u>26,151,557</u>	<u>24,955,685</u>	<u>25,061,228</u>	<u>26,731,612</u>
<i>Business-Type Activities</i>				
Water	4,089,141	3,896,122	3,983,254	3,675,217
Sewer	3,103,909	3,494,256	3,123,064	3,278,689
<i>Total Business-Type Activities Expenses</i>	<u>7,193,050</u>	<u>7,390,378</u>	<u>7,106,318</u>	<u>6,953,906</u>
<i>Total Primary Government Program Expenses</i>	<u>33,344,607</u>	<u>32,346,063</u>	<u>32,167,546</u>	<u>33,685,518</u>
Net (Expense)/Revenue				
Governmental Activities	(16,132,706)	(14,579,120)	(15,081,300)	(16,314,264)
Business-Type Activities	<u>(787,237)</u>	<u>266,220</u>	<u>263,662</u>	<u>527,340</u>
<i>Total Primary Government Net Expense</i>	<u>(16,919,943)</u>	<u>(14,312,900)</u>	<u>(14,817,638)</u>	<u>(15,786,924)</u>

2016	2017	2018	2019	2020	2021
\$5,849,212	\$6,389,653	\$6,661,671	\$8,183,220	\$6,267,660	\$3,855,019
6,400,259	6,332,115	7,589,867	2,920,880	7,407,309	5,561,708
6,144,215	6,260,678	7,001,891	481,614	7,092,636	6,115,182
997,693	1,097,183	1,176,712	1,091,968	933,515	857,434
432,011	430,023	354,503	775,071	1,476,572	357,249
920,757	985,975	1,782,804	1,144,709	1,352,143	1,008,751
8,833,139	8,703,914	10,737,859	12,236,494	9,681,811	7,464,294
191,771	303,446	287,022	251,742	267,005	201,843
71,950	61,187	0	16,031	80,085	0
29,841,007	30,564,174	35,592,329	27,101,729	34,558,736	25,421,480
4,078,550	4,277,717	4,537,006	5,026,351	5,045,810	4,078,754
3,148,529	3,631,845	3,621,098	3,968,060	3,791,867	2,603,986
7,227,079	7,909,562	8,158,104	8,994,411	8,837,677	6,682,740
37,068,086	38,473,736	43,750,433	36,096,140	43,396,413	32,104,220
(19,888,581)	(20,020,463)	(23,049,144)	(12,977,707)	(19,594,006)	(10,692,977)
93,955	(393,045)	(306,379)	(1,123,354)	(298,175)	552,653
(19,794,626)	(20,413,508)	(23,355,523)	(14,101,061)	(19,892,181)	(10,140,324)

(continued)

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

	2012	2013	2014	2015
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	\$880,624	\$883,741	\$865,677	\$861,079
Police and Fire Pension	211,970	226,163	222,750	215,431
<i>Municipal Income Taxes Levied for:</i>				
General Purposes	9,042,340	9,135,117	9,309,831	9,800,131
Transportation	697,395	702,702	716,139	732,147
Parks and Recreation	556,411	527,307	553,757	533,036
Capital Outlay	862,151	878,096	894,889	915,798
Other Local Taxes	238,930	243,520	262,223	290,727
Grants and Entitlements not Restricted to Specific Programs	979,018	1,148,330	915,163	741,609
Gifts and Contributions not Restricted to Specific Programs	0	0	0	0
Investment Income	31,662	16,768	17,177	14,841
Miscellaneous	549,757	674,708	558,521	706,066
Gain on Sale of Capital Assets	0	0	0	0
<i>Total Governmental Activities</i>	14,050,258	14,436,452	14,316,127	14,810,865
<i>Business-Type Activities</i>				
Investment Income	1,911	1,134	5,142	4
Miscellaneous	121,841	180,571	189,347	158,380
Gain on Sale of Capital Assets	0	0	0	0
<i>Total Business-Type Activities</i>	123,752	181,705	194,489	158,384
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	14,174,010	14,618,157	14,510,616	14,969,249
<i>Transfers</i>				
Governmental Activities	(14,189)	(20,829)	(25,443)	(11,832)
Business-Type Activities	14,189	20,829	25,443	11,832
<i>Change in Net Position</i>				
Governmental Activities	(2,096,637)	(163,497)	(790,616)	(1,515,231)
Business-Type Activities	(649,296)	468,754	483,594	697,556
<i>Total Primary Government Change in Net Position</i>	(\$2,745,933)	\$305,257	(\$307,022)	(\$817,675)

2016	2017	2018	2019	2020	2021
\$884,981	\$900,267	\$971,274	\$971,603	\$1,076,509	\$1,035,226
213,818	217,816	233,800	235,310	259,542	250,116
10,935,510	11,148,015	11,676,147	11,834,517	12,300,819	13,064,052
2,176,293	2,215,346	2,329,437	2,370,531	2,457,963	2,610,264
565,307	558,768	584,169	586,337	615,181	653,362
938,664	930,366	973,611	977,219	1,025,298	1,088,937
304,959	375,388	307,338	407,401	188,951	383,030
860,806	875,632	1,148,782	677,305	842,806	950,315
0	0	0	0	1,000	19,015
49,563	82,206	195,099	300,227	154,421	55,972
873,248	1,278,970	1,079,252	1,223,546	1,728,278	324,512
13,318	0	0	0	15,826	36,925
17,816,467	18,582,774	19,498,909	19,583,996	20,666,594	20,471,726
0	0	0	0	0	0
218,022	187,608	223,403	200,029	361,941	101,287
0	0	30,900	0	4,840	6,911
218,022	187,608	254,303	200,029	366,781	108,198
18,034,489	18,770,382	19,753,212	19,784,025	21,033,375	20,579,924
(28,534)	(35,579)	(28,642)	(28,649)	(30,000)	(20,000)
28,534	35,579	28,642	28,649	30,000	20,000
(2,100,648)	(1,473,268)	(3,578,877)	6,577,640	1,042,588	9,758,749
340,511	(169,858)	(23,434)	(894,676)	98,606	680,851
(\$1,760,137)	(\$1,643,126)	(\$3,602,311)	\$5,682,964	\$1,141,194	\$10,439,600

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

	2012	2013	2014	2015
General Fund				
Nonspendable	\$261,459	\$258,593	\$248,463	\$261,226
Committed	110,387	114,900	87,271	51,286
Assigned	14,607	0	0	0
Unassigned (Deficit)	(520,457)	1,703,062	1,948,943	2,663,924
Total General Fund	(134,004)	2,076,555	2,284,677	2,976,436
All Other Governmental Funds				
Nonspendable	53,611	90,404	110,275	90,886
Restricted	1,202,380	2,409,387	2,203,639	2,356,673
Assigned	5,765	5,765	5,765	5,765
Unassigned (Deficit)	(2,695,504)	(115,987)	(52,204)	(415,703)
Total All Other Governmental Funds	(1,433,748)	2,389,569	2,267,475	2,037,621
Total Governmental Funds	<u>(\$1,567,752)</u>	<u>\$4,466,124</u>	<u>\$4,552,152</u>	<u>\$5,014,057</u>

2016	2017	2018	2019	2020	2021
\$255,045	\$274,376	\$508,499	\$473,492	\$481,612	\$576,755
34,567	45,329	54,278	145,715	66,749	41,631
18,453	14,853	11,420	131,006	50,034	747,692
3,369,441	4,975,561	4,256,839	4,335,761	5,060,523	5,525,123
3,677,506	5,310,119	4,831,036	5,085,974	5,658,918	6,891,201
78,331	58,844	178,409	211,833	187,859	217,430
4,493,423	5,919,152	5,096,903	4,662,336	6,591,541	9,355,210
5,765	5,765	5,765	5,765	5,765	5,765
0	0	0	0	0	0
4,577,519	5,983,761	5,281,077	4,879,934	6,785,165	9,578,405
\$8,255,025	\$11,293,880	\$10,112,113	\$9,965,908	\$12,444,083	\$16,469,606

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

	2012	2013	2014	2015
Revenues				
Property Taxes	\$1,088,740	\$1,115,022	\$1,075,485	\$1,077,820
Municipal Income Taxes	10,851,650	11,177,609	11,303,794	12,109,853
Other Taxes	238,930	243,520	262,223	290,727
Special Assessments	7,558	13,150	3,752	5,863
Charges for Services	3,997,022	4,501,048	5,255,945	5,423,454
Fines, Licenses and Permits	1,631,754	1,525,476	1,734,819	1,844,592
Intergovernmental	5,175,386	5,827,097	3,465,617	4,237,598
Investment Earnings	31,662	16,768	17,177	14,841
Contributions and Donations	0	0	0	0
Other	647,058	702,684	767,139	701,553
<i>Total Revenues</i>	<i>23,669,760</i>	<i>25,122,374</i>	<i>23,885,951</i>	<i>25,706,301</i>
Expenditures				
<i>Current:</i>				
General Government	5,766,533	5,449,967	5,202,316	5,483,348
<i>Security of Persons and Property:</i>				
Police	5,437,570	4,983,010	5,072,888	4,888,702
Fire	5,360,909	5,096,719	5,171,591	4,923,945
Public Health	0	0	0	0
Leisure Time Activities	740,641	492,124	613,047	618,742
Community Environment	619,530	525,336	299,055	146,428
Basic Utilities Services	892,274	756,499	1,101,188	907,781
Transportation	4,292,719	5,575,178	5,584,486	6,718,751
Capital Outlay	3,172,838	445,986	587,718	985,259
<i>Debt Service:</i>				
Principal Retirement	175,691	438,596	388,174	728,014
Interest and Fiscal Charges	116,222	112,800	173,042	181,383
Issuance Costs	0	156,699	0	6,928
<i>Total Expenditures</i>	<i>26,574,927</i>	<i>24,032,914</i>	<i>24,193,505</i>	<i>25,589,281</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(2,905,167)</i>	<i>1,089,460</i>	<i>(307,554)</i>	<i>117,020</i>
Other Financing Sources (Uses)				
Transfers In	1,965,487	2,396,777	1,610,036	1,691,615
Refunding Bonds Issues	0	4,850,000	0	0
General Obligation Bonds Issued	0	0	0	260,000
Premium on Debt Issued	0	31,481	0	5,234
Issuance of Lease-Purchase Agreement	0	0	0	0
Issuance of Notes	0	0	300,000	0
Proceeds from Loan	0	0	100,000	0
Proceeds from Sale of Capital Assets	25,832	41,696	0	16,559
Inception of Capital Lease	62,645	42,068	19,025	74,924
Transfers Out	(1,979,676)	(2,417,606)	(1,635,479)	(1,703,447)
<i>Total Other Financing Sources (Uses)</i>	<i>74,288</i>	<i>4,944,416</i>	<i>393,582</i>	<i>344,885</i>
<i>Net Change in Fund Balances</i>	<i>(\$2,830,879)</i>	<i>\$6,033,876</i>	<i>\$86,028</i>	<i>\$461,905</i>
 Debt Service as a Percentage of Noncapital Expenditures	 1.3%	 2.5%	 2.5%	 3.8%

2016	2017	2018	2019	2020	2021
\$1,088,547	\$1,130,743	\$1,197,651	\$1,203,759	\$1,295,297	\$1,306,056
14,148,768	15,173,267	15,424,214	16,170,025	15,782,117	17,249,172
304,959	375,388	307,338	407,401	186,925	385,056
11,566	30,676	20,615	2,046	21,001	5,536
5,138,328	5,555,170	7,862,987	9,123,404	6,928,411	6,859,559
1,917,514	1,990,345	3,908,580	1,158,374	1,510,481	1,487,031
3,531,008	3,765,473	4,277,837	4,521,163	7,418,390	6,814,093
49,563	82,206	195,099	300,244	154,558	44,984
26,900	1,310	14,567	85,369	26,000	167,254
877,828	1,278,970	1,079,252	1,223,546	1,715,946	320,693
27,094,981	29,383,548	34,288,140	34,195,331	35,039,126	34,639,434
5,589,191	5,941,369	6,414,195	6,882,988	5,376,220	5,736,409
5,514,183	5,675,008	6,074,087	7,447,345	6,333,217	5,917,806
5,194,391	5,584,702	5,742,723	6,187,289	6,286,349	6,150,286
0	0	0	0	37,500	0
690,016	738,995	780,745	821,085	687,027	737,484
94,711	121,045	45,526	472,525	788,578	45,015
929,540	904,387	1,731,054	1,038,883	1,297,758	1,395,414
7,495,984	7,618,673	9,775,658	10,895,234	7,616,845	7,526,910
1,145,498	926,172	1,106,668	1,032,446	2,647,251	3,099,347
576,503	972,143	1,204,417	1,254,179	3,999,091	1,149,362
189,523	315,508	311,543	269,019	307,433	233,359
71,950	61,187	0	16,031	80,085	0
27,491,490	28,859,189	33,186,616	36,317,024	35,457,354	31,991,392
(396,509)	524,359	1,101,524	(2,121,693)	(418,228)	2,648,042
1,342,353	1,398,490	1,644,833	2,119,601	1,375,665	1,234,596
0	0	0	0	2,785,000	0
3,436,417	2,065,000	297,889	1,391,000	0	1,232,390
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	0
40,128	650	85,844	5,197	15,826	36,925
87,291	415,238	3,025	0	8,514	128,166
(1,370,887)	(1,434,069)	(1,673,475)	(2,148,250)	(1,405,665)	(1,254,596)
3,637,477	2,514,496	358,116	1,975,488	2,896,403	1,377,481
\$3,240,968	\$3,038,855	\$1,459,640	(\$146,205)	\$2,478,175	\$4,025,523
3.3%	4.9%	5.0%	4.6%	13.1%	4.8%

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
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
2021	429,706,570	1,227,733,057	38,917,430	44,224,352

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
\$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
468,624,000	1,271,957,409	36.84%	3.20

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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>	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Overlapping Rates by Taxing District:										
<i>Ross County Millage</i>										
Operating	12.50	12.50	12.50	12.50	12.80	12.70	13.70	13.70	14.20	14.20
<i>Total County Millage</i>	12.50	12.50	12.50	12.50	12.80	12.70	13.70	13.70	14.20	14.20
<i>Chillicothe City School District Millage</i>										
Operating	46.20	46.20	53.30	53.40	50.20	50.10	49.90	46.20	46.20	46.20
Debt Service	4.80	4.80	5.80	5.80	8.79	7.90	7.90	7.40	7.00	7.00
<i>Total School Millage</i>	51.00	51.00	59.10	59.20	58.99	58.00	57.80	53.60	53.20	53.20
<i>Other Millage</i>										
Operating	5.80	5.80	5.80	5.80	6.30	6.70	6.30	6.30	6.30	6.30
<i>Total Other Millage</i>	5.80	5.80	5.80	5.80	6.30	6.70	6.30	6.30	6.30	6.30
Total Direct and Overlapping Millage	72.50	72.50	80.60	80.70	81.29	80.60	81.00	76.80	76.90	76.90

Source: Ross County Auditor

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

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

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

Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)
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
2021	1,445,034	1,405,162	97.24%	51,871

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
\$1,234,272	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%
1,457,033	100.83%	61,825	4.28%

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate and PU-PP Tax
2021 and 2012

2021		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$30,983,300	6.61%
Columbia Gas of Ohio	5,759,510	1.23%
Guernsey Crossing LLC	5,540,370	1.18%
Chillicothe TK Owner LLC	4,471,230	0.95%
Chillicothe Mall	4,176,010	0.89%
Menards, Inc.	2,880,500	0.61%
Spirit Realty LP	2,434,430	0.52%
Zane Plaza LLC	2,441,160	0.52%
Sam's Real Estate Business	2,221,940	0.47%
Spirit Master Funding X LLC	2,217,810	0.47%
Total	<u>\$63,126,260</u>	<u>13.45%</u>
Total Assessed Valuation	<u>\$468,624,000</u>	

2012		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$18,834,980	4.66%
Columbus Southern Power	10,099,540	2.50%
Chillicothe Mall Inc.	4,220,620	1.04%
DDR Chillicothe LLC	4,053,210	1.00%
Central Center LTD	3,116,840	0.77%
Sam's Real Estate Business	2,629,020	0.65%
Zane Plaza LLC	2,490,010	0.62%
Chillicothe Telephone	2,311,240	0.57%
K-Mart Corporation	2,115,960	0.52%
Pittsburgh Glass Works LLC	2,100,000	0.52%
Total	<u>\$51,971,420</u>	<u>12.85%</u>
Total Assessed Valuation	<u>\$404,108,580</u>	

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
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%
2021	2.00%	17,584,406	13,305,824	75.67%	3,008,329	17.11%	1,270,254	7.22%

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
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
2021	7,777,647	0	0	0	408,435

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
\$1,320,000	\$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
1,062,847	0	0	3,491	9,252,420	1.91%	419

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
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
2021	22,059	1,271,957,409	8,840,494	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, 2021

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Chillicothe			
Capital Leases	\$408,435	100.00%	\$408,435
General Obligation Bonds	<u>7,777,647</u>	100.00%	<u>7,777,647</u>
<i>Total Direct Debt</i>	<u>8,186,082</u>		<u>8,186,082</u>
Overlapping			
Ross County	10,923,832	32.34%	3,533,153
Chillicothe City Schools	32,855,967	96.67%	31,762,906
Union-Scioto Local Schools	217,308	39.36%	85,538
Southeastern Local Schools	260,026	3.30%	8,572
Scioto Township	311,976	96.55%	301,223
Springfield Township	<u>28,445</u>	7.90%	<u>2,247</u>
<i>Total Overlapping Debt</i>	<u>44,597,554</u>		<u>35,693,639</u>
<i>Total</i>	<u><u>\$52,783,636</u></u>		<u><u>\$43,879,721</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

	2012	2013	2014	2015
Total Assessed Property Value	<u>\$404,108,580</u>	<u>\$403,836,610</u>	<u>\$395,365,840</u>	<u>\$389,834,240</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>\$42,431,401</u>	<u>\$42,402,844</u>	<u>\$41,513,413</u>	<u>\$40,932,595</u>
Debt Outstanding:				
General Obligation Bonds	355,000	4,850,000	4,550,000	4,495,000
General Obligation Bonds - Enterprise	1,320,000	1,670,000	1,150,000	3,170,000
General Obligation Revenue Bonds	2,390,000	1,215,000	0	0
OPWC Loans	25,225	12,613	0	0
Loan Payable	0	0	100,000	75,000
Notes Payable	<u>7,681,000</u>	<u>2,441,000</u>	<u>2,741,000</u>	<u>0</u>
Total Gross Indebtedness	11,771,225	10,188,613	8,541,000	7,740,000
Less:				
Notes Payable from Governmental Fund Revenues	4,640,000	0	300,000	0
Notes Payable from Enterprise Fund Revenues	3,041,000	2,441,000	2,441,000	0
Revenue Bonds Payable from Enterprise Fund Revenues	2,390,000	1,215,000	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,320,000	1,670,000	1,150,000	3,170,000
OPWC Loan Payable from Governmental Fund Revenues	25,225	12,613	0	0
Loan Payable from Governmental Fund Revenues	0	0	100,000	75,000
Bond Retirement Fund Balance	<u>16,646</u>	<u>16,646</u>	<u>16,646</u>	<u>16,646</u>
Total Net Debt Applicable to Debt Limit	<u>338,354</u>	<u>4,833,354</u>	<u>4,533,354</u>	<u>4,478,354</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$42,093,047</u>	<u>\$37,569,490</u>	<u>\$36,980,059</u>	<u>\$36,454,241</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.20%	88.60%	89.08%	89.06%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$22,225,972</u>	<u>\$22,211,014</u>	<u>\$21,745,121</u>	<u>\$21,440,883</u>
Total Gross Indebtedness	11,771,225	10,188,613	8,541,000	7,740,000
Less:				
Notes Payable from Governmental Fund Revenues	4,640,000	0	300,000	0
Notes Payable from Enterprise Fund Revenues	3,041,000	2,441,000	2,441,000	0
Revenue Bonds Payable from Enterprise Fund Revenues	2,390,000	1,215,000	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,320,000	1,670,000	1,150,000	3,170,000
OPWC Loan Payable from Governmental Fund Revenues	25,225	12,613	0	0
Loan Payable from Governmental Fund Revenues	0	0	100,000	75,000
Bond Retirement Fund Balance	<u>16,646</u>	<u>16,646</u>	<u>16,646</u>	<u>16,646</u>
Net Debt Within 5 1/2% Limitations	<u>338,354</u>	<u>4,833,354</u>	<u>4,533,354</u>	<u>4,478,354</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$21,887,618</u>	<u>\$17,377,660</u>	<u>\$17,211,767</u>	<u>\$16,962,529</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	98.48%	78.24%	79.15%	79.11%

Source: City Financial Records

2016	2017	2018	2019	2020	2021
\$395,508,700	\$409,684,250	\$426,628,840	\$434,027,460	\$460,604,470	\$468,624,000
\$41,528,414	\$43,016,846	\$44,796,028	\$45,572,883	\$48,363,469	\$49,205,520
7,479,813	8,715,822	7,958,881	8,187,848	7,168,733	7,487,545
2,635,000	2,095,000	1,550,000	1,749,000	1,150,000	989,000
0	0	0	0	0	0
0	0	0	0	0	0
50,000	25,000	0	0	0	0
0	0	0	0	2,140,000	0
10,164,813	10,835,822	9,508,881	9,936,848	10,458,733	8,476,545
0	0	0	0	0	0
0	0	0	0	2,140,000	0
0	0	0	0	0	0
2,635,000	2,095,000	1,550,000	1,749,000	1,150,000	989,000
0	0	0	0	0	0
50,000	25,000	0	0	0	0
16,646	16,646	110,707	232,642	228,332	232,332
7,463,167	8,699,176	7,848,174	7,955,206	6,940,401	7,255,213
\$34,065,247	\$34,317,670	\$36,947,854	\$37,617,677	\$41,423,068	\$41,950,307
82.03%	79.78%	82.48%	82.54%	85.65%	85.26%
\$21,752,979	\$22,532,634	\$23,464,586	\$23,871,510	\$25,333,246	\$25,774,320
10,164,813	10,835,822	9,508,881	9,936,848	10,458,733	8,476,545
0	0	0	0	0	0
0	0	0	0	2,140,000	0
0	0	0	0	0	0
2,635,000	2,095,000	1,550,000	1,749,000	1,150,000	989,000
0	0	0	0	0	0
50,000	25,000	0	0	0	0
16,646	16,646	110,707	232,642	228,332	232,332
7,463,167	8,699,176	7,848,174	7,955,206	6,940,401	7,255,213
\$14,289,812	\$13,833,458	\$15,616,412	\$15,916,304	\$18,392,845	\$18,519,107
65.69%	61.39%	66.55%	66.67%	72.60%	71.85%

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	
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
2021	3,966,842	3,028,178	938,664	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)
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
2021	22,059	484,393,581	21,959	41.4	3,607	4.8%	468,624,000

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

2021			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Wal-Mart	Retail	1,054	3.82%
Pixelle Paper Company	Paper Industry	1,014	3.67%
Ross County	County Government	659	2.39%
Chillicothe City Schools	Education	417	1.51%
Menards	Retail	334	1.21%
Lowe's	Retail	314	1.14%
City of Chillicothe	City Government	280	1.01%
Ohio University-Chillicothe	College Campus	233	0.84%
Horizon Family of Companies	Communications	198	0.72%
Charter Communications	Cable TV/Internet	125	0.45%
Total		<u>4,628</u>	<u>16.76%</u>
Total Employment Within the City		<u>27,597</u>	<u>100.00%</u>

2012			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,297	4.31%
Ross County	County Government	850	2.82%
Wal-Mart	Retail	810	2.69%
Chillicothe City Schools	Education	707	2.35%
Ohio University-Chillicothe	College Campus	642	2.13%
City of Chillicothe	City Government	384	1.28%
American Electric Power	Utility Center	289	0.96%
Lowe's	Retail	228	0.76%
Horizon Family of Companies	Communications	193	0.64%
Time Warner	Cable TV/Internet	104	0.35%
Total		<u>5,504</u>	<u>18.29%</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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	1	2	1
Engineering Vehicles	9	9	9	8	7	3	6	3	3	6
Municipal Court Vehicles	2	2	2	3	4	2	3	3	3	3
Service Department Vehicles	35	34	36	40	43	42	34	37	34	40
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	34	32	38	39	31	39	35	30	32
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	28	28	27	26	26	19	20	15	15	16
Recreation										
Number of Parks	13	13	13	13	13	13	13	14	14	14
Number of Pools	1	1	1	1	1	1	1	3	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	6	6	6	6	6
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	22	22	23	25	25	26	20	25	25	26
Volleyball Courts	0	0	0	0	0	3	3	3	6	3
Floodwall										
Miles	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5	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	16	20	20	24	23	25	25	22	31	27
Water Department										
Water Lines (miles)	136	136	136	136	136	137	137	137	137	137
Vehicles	19	19	19	21	21	16	18	18	19	17
Sewer Department										
Sewer Lines/Storm Sewer (miles)	105	106	106	106	106	106	106	106	106	106
Vehicles	25	26	26	14	14	21	22	22	22	17

Sources: Chillicothe City Auditor and Chillicothe City Engineer

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City of Chillicothe, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	5.0	4.5	3.5	5.0	5.0	5.0
Income Tax	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5
Mayor	4.5	4.5	3.5	3.5	3.5	4.0	4.0	5.0	4.5	2.5
Law Director	6.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Engineering	6.0	6.0	6.0	5.0	5.0	5.5	6.0	6.0	5.0	5.0
Civil Service	2.5	2.5	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0
Municipal Court	21.5	23.0	19.0	22.0	22.0	20.5	20.5	22.5	22.5	21.0
Security of Persons and Property										
Police	50.5	48.0	44.0	46.0	53.0	53.0	57.0	56.0	49.0	54.0
Fire	47.0	44.0	43.0	39.0	43.0	45.0	49.0	49.0	49.0	47.0
School Crossing Guards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Traffic Control-Meters	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Parks	4.0	1.0	1.0	1.5	3.0	3.0	3.5	6.5	6.0	6.0
Recreation	3.0	3.0	5.0	3.5	4.0	5.0	3.5	0.0	0.0	0.0
Transportation										
Service	20.0	18.0	17.0	17.0	14.0	24.0	24.5	23.0	44.5	19.5
Transit	23.0	31.0	30.5	31.0	33.0	41.0	34.5	33.5	31.0	29.5
Basic Utility Services										
Water	28.0	27.0	26.5	26.0	26.5	25.5	27.0	23.0	19.0	27.0
Sewer	16.5	16.0	15.0	16.0	15.0	15.0	16.0	20.0	24.0	14.5
Totals:	245.5	242.0	229.5	229.5	245.0	264.0	265.5	265.5	274.5	246.0

Source: City Payroll Department W-2 Audit Listing

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

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

Function/Program	2012	2013	2014
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	103	107	115
Number of Resolutions Passed	22	19	16
Number of Planning Commission Docket Items	12	13	12
Zoning Board of Appeals Docket Items	21	19	9
Design and Review Board Docket Items	37	41	35
<i>Finance Department</i>			
Number of Checks/Vouchers Issued	5,482	4,853	5,144
Amount of Checks Written	\$43,661,426	\$44,504,621	\$34,821,093
Interest Earnings for fiscal year (cash basis)	\$34,509	\$17,995	\$16,882
Number of Receipts Issued	2,049	2,047	2,398
Agency Ratings - Moody's Financial Services	A2	A2	A2
General Fund Receipts (cash basis)	\$17,611,705	\$18,020,422	\$16,173,260
General Fund Expenditures (cash basis)	\$20,203,210	\$18,698,612	\$16,583,845
General Fund Cash Balances	\$1,022,988	\$1,191,040	\$1,144,727
<i>Income Tax Department</i>			
Number of Individual Returns	8,180	7,116	5,979
Amount of Business Returns	2,338	2,177	1,899
Number of Business Withholding Accounts	2,087	2,206	2,127
Amount of Penalties and Interest Collected	\$45,888	\$34,077	\$61,556
Annual Number of Corporate Withholding Forms Processed	11,937	11,877	11,941
Annual Number of Balance Due Statements Forms Processed	1,662	1,562	1,403
Annual Number of Estimated Payment Forms Processed	2,094	1,823	1,378
Annual Number of Reconciliations of Withholding Processed	1,360	1,658	1,698
<i>Engineering Department</i>			
Dollar Amount of Construction Overseen by Engineer	\$500,000	\$1,500,000	\$1,200,000
<i>Municipal Court</i>			
Number of Civil Cases	1,698	1,384	1,292
Amount of Criminal Cases	3,590	3,737	3,348
Amount of Traffic Cases	10,014	8,500	9,617
Amount of Small Claims Cases	155	142	256

Source: Departments of the City of Chillicothe

2015	2016	2017	2018	2019	2020	2021
133	95	115	115	117	111	85
16	17	28	14	17	21	20
12	16	13	16	17	12	23
18	21	18	36	2	35	26
40	49	32	38	1	45	43
5,289	4,798	5,221	5,138	5,117	4,413	4,744
\$34,912,698	\$29,655,614	\$29,523,145	\$31,016,337	\$34,277,502	\$34,757,308	\$34,895,010
\$15,131	\$46,212	\$56,528	\$155,123	\$224,871	\$171,107	\$90,614
2,325	2,216	3,054	2,819	2,858	2,333	2,403
A2	A2	A2	A2	A2	A2	A2
\$16,385,326	\$18,509,640	\$19,797,937	\$19,910,249	\$21,997,479	\$22,152,856	\$20,860,120
\$16,002,738	\$17,918,806	\$18,218,572	\$20,592,475	\$22,269,346	\$21,647,982	\$21,377,947
\$1,770,329	\$2,010,718	\$2,667,376	\$2,926,904	\$2,655,036	\$4,620,058	\$4,102,231
6,489	6,251	6,383	6,984	6,870	6,053	6,013
2,022	2,082	1,982	2,094	2,043	1,990	2,432
2,086	2,239	2,224	2,422	2,498	2,119	17,932
\$119,010	\$69,032	\$78,576	\$94,785	\$122,118	\$83,617	\$77,602
13,190	16,614	16,344	16,188	16,604	17,353	17,932
1,658	1,356	1,528	1,499	1,309	1,270	1,192
1,576	1,696	1,502	1,427	1,642	1,457	1,916
1,732	1,821	1,981	1,926	1,840	2,020	1,969
\$1,200,000	\$1,200,000	\$1,893,070	\$1,101,149	\$1,868,803	\$1,542,231	\$2,108,000
1,311	1,392	1,793	2,161	2,141	1,489	1,545
3,082	3,853	4,228	4,302	4,333	3,093	2,763
9,267	9,934	9,547	7,926	7,269	6,239	7,513
274	244	270	263	191	167	152

(continued)

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

Function/Program	2012	2013	2014
<i>Civil Service</i>			
Number of Police Entry Tests Administered	56	0	71
Number of Fire Entry Tests Administered	0	0	0
Number of Police Promotional Tests Administered	4	0	10
Number of Fire Promotional Tests Administered	0	14	0
Number of Hires of Police Officers from Certified Lists	2	0	2
Number of Hires of Fire/Medics Officers from Certified Lists	6	0	2
Number of Promotions from Police Certified Lists	2	0	1
Number of Promotions from Fire Certified Lists	2	4	2
<i>Building Department Indicators</i>			
Construction Permits Issued	10	8	12
Estimated Value of Construction	\$22,245,181	\$2,139,000	\$2,430,567
Number of Permits Issued	1,099	902	798
Amount of Revenue Generated from Permits	\$123,461	\$141,653	\$179,793
Number of Contractor Registrations Issued	270	190	300
Revenue Generated from Above	\$13,500	\$3,291	\$5,701
<i>Police Department</i>			
Total Calls for Service	25,457	23,047	23,245
Number of Traffic Citations Issued	3,277	2,346	2,465
Number of Parking Citations Issued	N/A	N/A	N/A
Number of Criminal Arrests	3,414	3,130	2,941
Number of Accident Reports Completed	1,189	1,225	1,375
DUI Arrests	97	101	85
Prisoner costs for room and board	\$0	\$0	\$0
Motor Vehicle Accidents	843	858	1,006
Property Damage Accidents	346	367	369
Fatalities from Motor Vehicle Accidents	3	0	0
Gasoline Costs of Fleet	\$124,490	\$112,069	\$107,862
DARE Program hours	1,600	1,600	1,600
<i>Fire Department</i>			
EMS Calls	5,079	4,618	4,893
Ambulance Billing Collections (net)	\$1,105,372	\$1,120,547	\$1,127,057
Fire Calls	796	704	692
Fires with Loss	42	42	29
Fires with Losses Exceeding \$10K	19	15	8
Fire Losses \$	\$2,383,260	\$379,250	\$393,201
Fire Safety Inspections	220	400 plus	515
Number of Times Mutual Aid Given to Fire	1	4	0
Number of Times Mutual Aid Received for Fire	0	1	1
Number of Injuries Requiring Medical Attention	7	2	2
Fatalities Due to Fire	0	0	0

Source: Departments of the City of Chillicothe

2015	2016	2017	2018	2019	2020	2021
1	0	110	0	1	44	39
1	0	43	0	0	29	0
3	0	5	0	0	5	5
2	0	0	8	0	2	0
7	8	1	3	1	4	7
2	3	0	5	1	2	0
4	0	0	0	0	3	1
1	2	0	2	3	2	0
11	16	6	7	19	20	20
\$2,007,034	\$3,678,195	\$1,885,000	\$1,955,994	\$5,002,821	\$97,584	\$5,542,841
857	742	681	412	469	428	387
\$194,320	\$198,007	\$246,735	\$38,865	\$45,238	\$39,496	\$35,654
297	350	185	260	313	320	335
\$4,432	\$3,500	\$18,500	\$26,000	\$15,381	\$32,000	\$33,500
24,557	27,700	28,304	29,802	28,433	26,338	26,986
1,978	2,795	3,070	3,255	2,375	1,332	684
N/A	517	2,075	282	733	553	1,406
2,984	4,064	5,092	5,098	5,497	2,379	2,762
1,289	1,262	1,147	1,095	1,122	1,194	618
97	183	139	141	132	67	66
\$0	\$0	\$0	\$0	\$0	\$0	\$0
896	958	891	886	891	882	618
393	304	256	209	231	312	0
1	1	0	0	0	1	2
\$53,367	\$51,510	\$69,487	\$83,286	\$82,073	\$0	\$66,058
1,600	1,600	1,600	1,700	1,700	1,500	1,203
4,866	5,316	5,399	5,737	5,920	5,457	6,039
\$994,663	\$1,035,755	\$1,079,703	\$1,042,483	\$1,080,824	\$992,139	\$1,143,171
840	997	919	927	844	1,077	1,065
39	69	62	61	47	46	31
11	13	14	14	22	9	8
\$515,667	\$696,453	\$550,870	\$1,067,371	\$1,321,350	\$277,050	\$533,955
500	673	538	993	1,378	739	976
4	11	21	3	3	3	9
5	2	3	9	12	8	6
1	3	1	5	4	1	2
0	0	2	0	1	0	0

(continued)

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

Function/Program	2012	2013	2014
Leisure Time Activities			
<i>Recreation Department</i>			
Recreation Swimming Pool Receipts	\$58,019	\$61,131	\$71,006
Recreation Mens, Women and Chillicothe Leagues Receipts	\$0	\$0	\$0
Number of Tree License Issues	0	8	13
Amount of Revenue from Tree License	\$0	\$200	\$300
Total Acreage all Parks	876	876	876
Transportation			
<i>Street Construction & State Highway</i>			
Street Sweeper (hours)	0	950	1,050
Cold Patch (hours)	0	1,800	2,080
Snow and Ice Removal (regular hours)	221	215	400
Snow and Ice Removal (overtime hours)	0	350	375
Leaf Collection (hours)	0	3,000	3,500
Downtown Square Repair after Events (hours)	0	68	75
Tons of Snow Melting Salt Purchased (Nov-Mar)	642	721	954
Cost of Salt Purchased	\$40,754	\$33,357	\$66,031
Basic Utility Services			
<i>Refuse Department</i>			
Refuse Disposal per year (in tons) August through July	7,954	7,895	7,548
Refuse Disposal cost per year August through July	\$234,749	\$282,233	\$268,151
<i>Water Department (2)</i>			
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	11.92	12.40	12.40
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	17.89	18.61	18.61
Total Water Collections Annually (including P&I)	\$0	\$3,927,993	\$4,236,920
Number of Active Customers	0	9,300	9,360
<i>WasteWater Department (3)</i>			
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	8.75	9.11	9.11
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	13.10	13.64	13.64
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	874.905	877.677	874.301
Tons of Dry Sludge Removed	337.440	388.859	391.840
Wastewater Calls for Service	200	250	230
After Hours Wastewater Calls for Service (hours)	250	300	330
Sewer Jet, Vac-all, other services (hours)	2,500	3,000	3,500

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).

2015	2016	2017	2018	2019	2020	2021
\$61,315	\$77,083	\$87,426	\$82,525	\$78,357	\$0	\$76,954
\$0	\$4,700	\$1,400	\$9,375	\$1,400	\$2,500	\$0
13	20	17	16	10	7	8
\$325	\$1,425	\$425	\$400	\$250	\$165	\$276
876	876	876	876	877	877	877
900	950	950	800	800	850	700
2,000	2,050	2,050	2,400	2,200	2,400	2,000
850	96	100	856	900	900	450
877	0	100	650	650	126	150
3,200	3,300	3,300	3,500	3,500	3,500	350
70	75	80	70	80	75	90
950	240	300	950	930	800	864
\$79,999	\$11,087	\$19,551	\$43,871	\$40,213	\$34,592	\$55,312
7,514	7,654	6,799	7,231	7,683	7,713	8,487
\$281,235	\$286,413	\$254,407	\$251,642	\$295,027	\$308,520	\$358,224
12.65	12.65	12.65	12.65	12.65	12.65	7.99
18.99	18.85	18.99	18.99	18.99	18.99	12.00
\$4,160,214	\$4,407,356	\$4,062,891	\$4,564,948	\$4,224,463	\$4,179,476	\$4,246,328
9,417	10,133	9,455	10,318	10,205	10,160	10,381
9.29	9.60	9.60	9.99	10.45	10.39	6.98
13.91	14.37	14.37	15.25	15.64	15.64	10.46
845.500	738.030	718.670	828.050	679.378	852.473	879.650
346.000	373.460	300.060	270.000	270.000	434.850	79.780
109	204	240	260	250	230	153
142	326	320	340	330	320	280
3,000	3,400	3,200	3,400	3,300	3,300	3,300