

City of Chillicothe, Ohio Comprehensive Annual Financial Report

For the Year Ended December 31, 2019



Kristal Spetnagel

Chillicothe City Auditor

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CITY OF CHILLICOTHE, OHIO
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019

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CHILICOTHE
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL
City Auditor

July 30, 2020

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

FROM: City Auditor Kristal Spetnagel and Staff

The Auditor's office is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Chillicothe for the year ended December 31, 2019. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2019. 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 2019 basic financial statements were audited by the Auditor of State. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls, and tests of transactions. The Independent Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35, and 50 approximately 45 miles south of Columbus, Ohio, Chillicothe covers 9.7 square miles and has approximately 21,717 citizens according to the 2019 US Census Bureau estimates. The City has thirteen public parks consisting of 225 acres, six public schools, one parochial school, one charter school, a branch of Ohio University, and two public libraries.

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

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

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

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

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

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

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

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

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

Economic Outlook

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

Employment in the Chillicothe and Ross County region is dominated by manufacturing (Pixelle Co., PACCAR Inc.), government (Ross County, City of Chillicothe, Ohio University Chillicothe), and healthcare (Adena Regional Medical Center). According to the Bureau of Labor Statistics the average unemployment rate for the Chillicothe Metropolitan area in 2019 was 4.5%.

Other developments of note:

Significant retail development is still ongoing throughout the City. During 2019 and 2020, several new businesses were opened, such as Gatti's Pizza, The Fort Collective, Texas Roadhouse, and Raising Canes. Other industries, such as Adena Regional Medical Center, are in the process of doing a lot of investing and construction upgrades. They are continuing their \$70 million expansion plan to create a new orthopedic and robotics center as well as a 300-car parking deck. The Fifty West Brewing Company, based in Cincinnati, has also announced that they are expanding their brewing operations adding to the downtown expansion. The new construction from these industries as well as continuing growth in the community will bring in additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

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

Long'-Term Financial Planning

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

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

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

Relevant Financial Policies

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

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

Budgetary Controls

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

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

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

Internal Controls

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chillicothe for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Acknowledgement

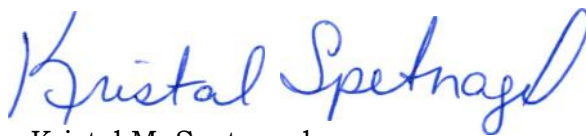
This Comprehensive Annual Financial Report for the City of Chillicothe is the 29th for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand the operation of our City and its basic financial structure.

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

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

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

Respectfully yours,



Kristal M. Spetnagel,
City Auditor



Government Finance Officers Association

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

Presented to

**City of Chillicothe
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

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

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

Ceil Corcoran
Council At Large
Term Expires 12-31-21

Devon Shoemaker
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

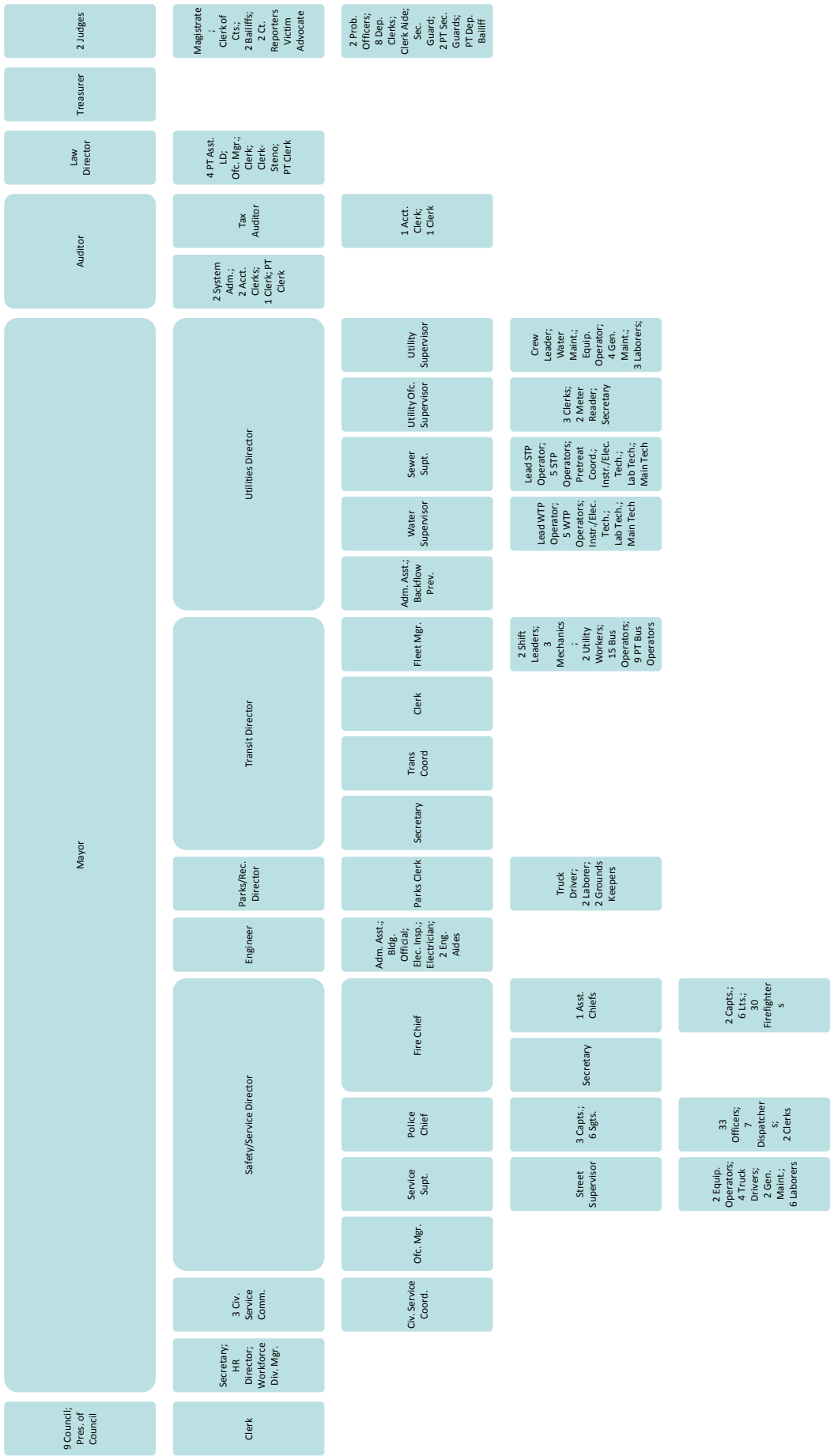
DIRECTOR OF LAW

Anna Villareal
Term Expires 12-31-23

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

CITY ENGINEER	Dean Carroll
UTILITIES DIRECTOR	David Fishel
SAFETY/SERVICE DIRECTOR	Jeffrey Carmen
PARKS/RECREATION DIRECTOR	Bill Bonner
TRANSIT DIRECTOR	Donna Schinkle
CLERK OF COUNCIL	Kathy Flechtner
ASSISTANT LAW DIRECTOR	Aaron M. McHenry
ASSISTANT LAW DIRECTOR	Michele Rout
ASSISTANT LAW DIRECTOR	Jonnetta Gadson
ASSISTANT LAW DIRECTOR	Pamela Wells

GENERAL PUBLIC



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

CITY AUDITOR	Kristal Spetnagel
DEPUTY AUDITOR	Kim Large
TAX AUDITOR	Julie Parker
SYSTEM ADMINISTRATOR	Heidi Leasure
ACCOUNTS PAYABLE ADMINISTRATOR	Amy Arnold
ACCOUNTING CLERK	Lisa Downard
AUDITOR'S CLERK	Danielle Graves

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City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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, 2019. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

Financial Highlights

1. The City of Chillicothe's total net position increased \$5,682,964; net position of the governmental activities increased \$6,577,640; and net position of the business-type activities decreased \$894,676.
2. The General Fund balance of \$5,085,974 increased \$254,938 or 5.28%, from the previous year's balance of \$4,831,036. This was primarily due to an increase in expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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

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

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

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

Proprietary Funds - The City maintains two different types of proprietary funds; enterprise funds and internal service funds. The City of Chillicothe uses enterprise funds to account for its water and sewer operations. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities* using the full accrual basis of accounting. The City of Chillicothe has two funds that are considered to be major funds, the Water and Sewer funds. Internal service funds are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses an internal service fund to account for the fuel purchasing program of the City. Because this service predominately benefits governmental rather than business-type functions, it has been included with governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Government-Wide Financial Analysis

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

City of Chillicothe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The City of Chillicothe as a Whole

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

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	\$14,753,396	\$15,477,228	\$11,962,172	\$11,481,079	\$26,715,568	\$26,958,307
Capital Assets, Net	34,097,332	34,520,637	34,065,920	34,633,787	68,163,252	69,154,424
<i>Total Assets</i>	<u>48,850,728</u>	<u>49,997,865</u>	<u>46,028,092</u>	<u>46,114,866</u>	<u>94,878,820</u>	<u>96,112,731</u>
Deferred Outflows of Resources	<u>12,297,895</u>	<u>6,796,968</u>	<u>1,557,685</u>	<u>830,504</u>	<u>13,855,580</u>	<u>7,627,472</u>
Liabilities:						
Current and Other Liabilities	1,514,339	1,636,784	303,045	572,330	1,817,384	2,209,114
<i>Long-Term Liabilities:</i>						
Due Within One Year	1,990,420	2,105,359	906,854	874,265	2,897,274	2,979,624
<i>Due in More Than One Year:</i>						
Net Pension Liability	34,186,540	23,248,073	4,474,264	2,607,893	38,660,804	25,855,966
Net OPEB Liability	7,949,955	19,918,003	2,107,602	1,776,388	10,057,557	21,694,391
Other Amounts	9,145,751	8,405,072	1,686,496	1,448,513	10,832,247	9,853,585
<i>Total Liabilities</i>	<u>54,787,005</u>	<u>55,313,291</u>	<u>9,478,261</u>	<u>7,279,389</u>	<u>64,265,266</u>	<u>62,592,680</u>
Deferred Inflows of Resources	<u>2,469,044</u>	<u>4,166,608</u>	<u>109,156</u>	<u>772,945</u>	<u>2,578,200</u>	<u>4,939,553</u>
Net Position:						
Net Investments in Capital Assets	25,181,090	26,307,894	32,231,325	33,067,316	57,412,415	59,375,210
<i>Restricted For:</i>						
Debt Service	196,466	83,515	4	4	196,470	83,519
Capital Projects	1,060,549	1,258,733	618,466	618,466	1,679,015	1,877,199
Other Purposes	4,361,710	4,838,360	0	0	4,361,710	4,838,360
<i>Permanent Fund Purpose:</i>						
Expendable	2,355	2,340	0	0	2,355	2,340
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Unrestricted (Deficit)	<u>(26,910,596)</u>	<u>(35,176,908)</u>	<u>5,148,565</u>	<u>5,207,250</u>	<u>(21,762,031)</u>	<u>(29,969,658)</u>
<i>Total Net Position</i>	<u>\$3,892,574</u>	<u>(\$2,685,066)</u>	<u>\$37,998,360</u>	<u>\$38,893,036</u>	<u>\$41,890,934</u>	<u>\$36,207,970</u>

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The net pension liability (NPL) and the net other postemployment benefits (OPEB) liability are the largest single liabilities reported by the City at December 31, 2019 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 this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

Current and other assets of governmental activities decreased by \$723,832 or 4.68% due to decreases in cash and cash equivalents held by the City which relates to a decrease in revenue that exceeded the cash in the Street Construction Maintenance and Repair Fund due to expenditures for paving projects. Capital assets of the governmental activities decreased \$423,305 or 1.23% due to depreciation expense exceeding acquisitions. Long-term liabilities decreased as a result of a decrease to the estimate for net OPEB liability and for principal payments on debt, which was partially offset by an increase in net pension liability estimates and new bond issuances.

Current and other assets of business-type activities increased by \$481,093 or 4.19% as a result of an increase in equity in pooled cash and cash equivalents. Capital assets decreased by \$567,867 or 1.64% due to depreciation for the year. Current and other liabilities of business-type activities decreased by \$269,285 or 47.05% due to decreases in accounts payable and contracts payable. Long-term liabilities increased as a result of an increase to the estimate for net pension liability and an increase in net OPEB liability estimates.

The City of Chillicothe's total net position increased from \$36,207,970 at the beginning of 2019 to \$41,890,934 at the end of the year, a change of \$5,682,964 or 15.70%. This increase is the result of an increase in the net position of the governmental activities of \$6,577,640 or 244.97% and a decrease in the net position of the business-type activities of \$894,676 or 2.30%.

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 2019 and 2018.

City of Chillicothe, Ohio
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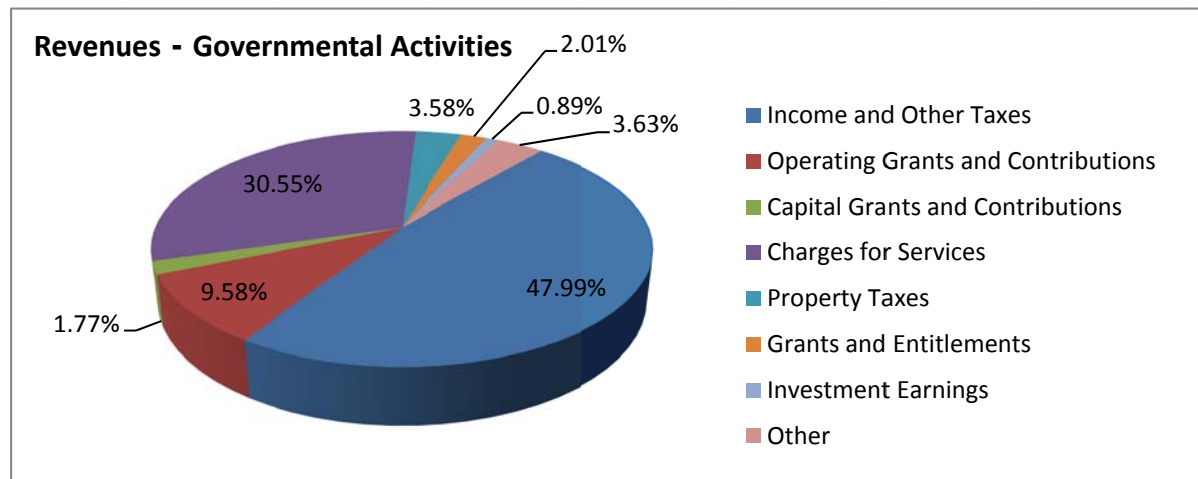
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$10,298,554	\$9,537,327	\$7,871,057	\$7,851,725	\$18,169,611	\$17,389,052
Operating Grants and Contributions	3,229,152	2,345,606	0	0	3,229,152	2,345,606
Capital Grants and Contributions	596,316	660,252	0	0	596,316	660,252
<i>General Revenues:</i>						
Property Taxes	1,206,913	1,205,074	0	0	1,206,913	1,205,074
Income and Other Taxes	16,176,005	15,870,702	0	0	16,176,005	15,870,702
Grants and Entitlements	677,305	1,148,782	0	0	677,305	1,148,782
Investment Earnings	300,227	195,099	0	0	300,227	195,099
Gain on Sale of Capital Assets	0	0	0	30,900	0	30,900
Other	1,223,546	1,079,252	200,029	223,403	1,423,575	1,302,655
Total Revenues	33,708,018	32,042,094	8,071,086	8,106,028	41,779,104	40,148,122
<i>Program Expenses</i>						
General Government	8,183,220	6,661,671	0	0	8,183,220	6,661,671
<i>Security of Persons and Property:</i>						
Police	2,920,880	7,589,867	0	0	2,920,880	7,589,867
Fire	481,614	7,001,891	0	0	481,614	7,001,891
Transportation	12,236,484	10,737,859	0	0	12,236,484	10,737,859
Leisure Time Activities	1,091,968	1,176,712	0	0	1,091,968	1,176,712
Community Environment	775,071	354,503	0	0	775,071	354,503
Basic Utility Services	1,144,709	1,782,804	0	0	1,144,709	1,782,804
Interest and Fiscal Charges	251,742	287,022	0	0	251,742	287,022
Issuance Costs	16,031	0	0	0	16,031	0
Water and Sewer	0	0	8,994,411	8,158,104	8,994,411	8,158,104
Total Expenses	27,101,719	35,592,329	8,994,411	8,158,104	36,096,130	43,750,433
Increase (Decrease) in Net Position						
Before Transfers	6,606,289	(3,550,235)	(923,325)	(52,076)	5,682,964	(3,602,311)
Net Transfers In (Out)	(28,649)	(28,642)	28,649	28,642	0	0
Increase (Decrease) in Net Position						
After Transfers	6,577,640	(3,578,877)	(894,676)	(23,434)	5,682,964	(3,602,311)
Net Position at Beginning of Year	(2,685,066)	893,811	38,893,036	38,916,470	36,207,970	39,810,281
Net Position at End of Year	<u>\$3,892,574</u>	<u>(\$2,685,066)</u>	<u>\$37,998,360</u>	<u>\$38,893,036</u>	<u>\$41,890,934</u>	<u>\$36,207,970</u>

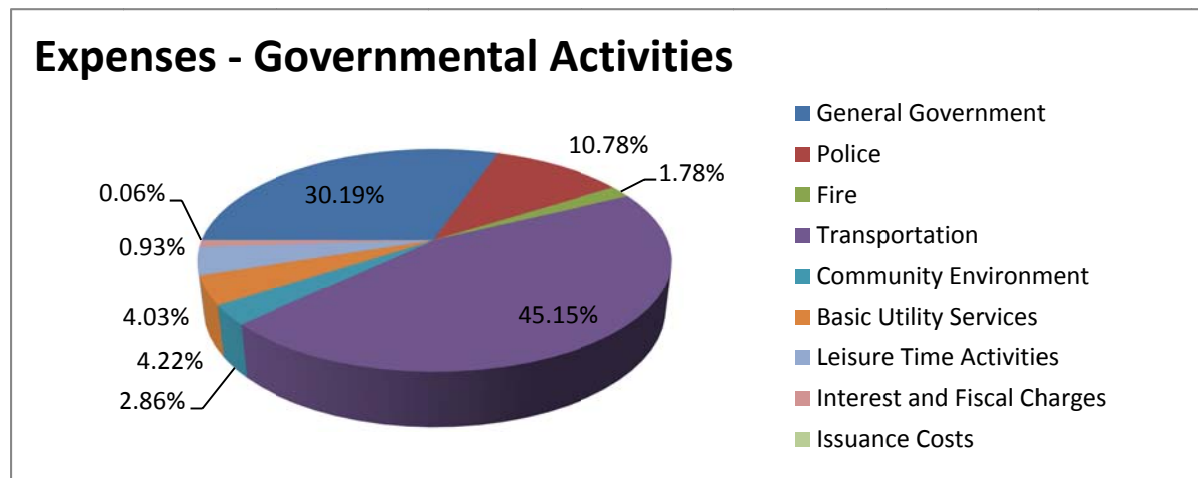
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Governmental Activities

Governmental activities increased the City of Chillicothe's net position by \$6,577,640. The City saw a significant increase in revenues and a significant decrease in expenses. The increase in revenues was related to increases in charges for services and operation grants and contributions. While the decrease in expenses was primarily due to changes in the net pension and OPEB liabilities calculations by the retirement system.



Of the \$33,708,018 in total revenues, income and other taxes account for 47.99%; charges for services of \$10,298,554 account for 30.55%; operating grants and contributions account for 9.58%; capital grants, unrestricted grants and entitlements, property taxes, investment earnings, and other revenue make up the remaining 11.88%. The income and other tax revenue for 2019 was \$16,176,005, which was an increase of \$305,303 or 1.92%.



The largest functional expenses for the City of Chillicothe were the general government and transportation functions, which had increases in expenses as a result of additional available funding from increases in the income tax revenue.

Business-Type Activities

The business-type activities of the City of Chillicothe, which include its water and sewer operations, decreased the net position by \$894,676. The decrease in net position is due to a significant increase in expenses for the year, which is the result of the net pension and OPEB liabilities calculations.

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Financial Analysis of the City of Chillicothe's Funds

Governmental Funds

The focus of the City of Chillicothe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting. The General Fund is the chief operating fund of the City of Chillicothe. At the end of 2019, the total fund balance for the General Fund was \$5,085,974 of which \$4,335,761 or 85.25% was unassigned.

During the current year, the fund balance of the General Fund increased by \$254,938. The increase in the General Fund balance was primarily the result of increases in income taxes and charges for service revenues.

At the end of 2019, the Street Fund had a fund balance of \$1,991,065, which is a decrease of \$496,255. This was a result of an increase in expenditures for the year.

At the end of 2019, the Bus Transit Fund had a fund balance of \$530,636, which is a decrease of \$226,251. This was a result of an increase in expenditures for the year, which exceeded the increase in revenues.

Proprietary Funds

During the current year, the net position of the City of Chillicothe's Water Fund decreased by \$508,144 or 2.23%. The decrease in the Water Fund net position is due to an increase in expenses, which is the result of the calculations of net pension and OPEB liabilities.

During the current year, the net position of the Sewer Fund decreased by \$386,532 or 2.39%. The decrease in the Sewer Fund net position is the result of expenses, which is the result of the calculations of net pension and OPEB liabilities.

General Fund Budgeting Highlights

The City of Chillicothe's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the General Fund. During 2019, the City of Chillicothe amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for an ordinance on the change. The City of Chillicothe does allow small budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$19,652,924 and the final budgeted revenue amount was \$20,516,359.

The largest difference between the General Fund's original budget and final budget was in income taxes, which increased \$482,493 or 4.26%. This was due to an increase in the estimated receipts for income taxes revenues.

City of Chillicothe, Ohio
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The differences between the General Fund's original budget and final amended budget of expenditures amounted to a \$3,204,418 increase, which included a \$1,393,467 additional appropriation for general government.

The difference between the General Fund's final budget and actual for the general government expenditures was \$671,928 or 9.20%. This difference between budgeted and actual expenditures was primarily the result of lower than expected expenditures for materials and supplies and capital outlay in several departments.

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)

	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land	\$6,989,731	\$6,864,490	\$1,906,343	\$1,889,017
Construction in Progress	9,560	0	0	154,394
Land Improvements	183,743	102,264	17,326	0
Buildings, Structures and Improvements	9,906,512	9,601,095	2,572,786	1,976,312
Plant and Facilities	0	0	11,213,620	11,729,659
Furniture, Fixture & Equipment	3,335,779	3,637,105	956,239	1,049,127
Infrastructure	13,672,007	14,315,683	17,399,606	17,835,278
Total	<u>\$34,097,332</u>	<u>\$34,520,637</u>	<u>\$34,065,920</u>	<u>\$34,633,787</u>

Total capital assets for governmental activities of the City of Chillicothe for the year 2019 were \$34,097,332 or \$423,305 less than in 2018. This decrease was due to the current year depreciation exceeding the current year acquisitions.

The decrease in capital assets for business-type activities of \$567,867 was due primarily to the current year depreciation. Additional information concerning capital assets can be found in Note 7 of the notes to the basic financial statements.

As of December 31, 2019, the City of Chillicothe had \$9,936,848 in bonds and loans outstanding.

General Obligation Bonds:

Various Purpose	\$2,960,000	\$3,275,000
Garbage Trucks	110,000	205,000
Street Improvements	3,270,000	3,760,000
Squad/Leaf Blower	53,603	106,052
Police Cruisers/Squad	298,245	472,829
Street Sweeper	105,000	140,000
2019 Various Purpose	<u>1,391,000</u>	<u>0</u>
Total Governmental Activities	8,187,848	7,958,881

Business-Type Activities

Sewer General Obligation Bonds	545,000	675,000
ARMC Water General Obligation Bonds	440,000	875,000
Water/Sewer General Obligation Bonds	<u>764,000</u>	<u>0</u>
Total Business-Type Activities	<u>1,749,000</u>	<u>1,550,000</u>
Total	<u>\$9,936,848</u>	<u>\$9,508,881</u>

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

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

Current Known Facts and Conditions

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

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 \$6.5 million on street construction projects. This levy has allowed the City to appropriate funds to pave, maintain and repair roads throughout the City. In order to begin the paving projects, the City borrowed funds which will be paid off at the end of the tax levy, also creating a reserve for the continuation of projects in the future.

Significant retail development is still ongoing throughout the City. During 2019 and 2020, several new businesses were opened, such as Gatti's Pizza, The Fort Collective, Texas Roadhouse, and Raising Canes. Other industries such as Adena Hospital, are in the process of doing a lot of investing and construction upgrades. They are continuing their \$70 million expansion plan to create a new orthopedic and robotics center as well as a 300-car parking deck. The Fifty West Brewing Company, based in Cincinnati, has also announced that they are expanding their brewing operations, adding to the downtown expansion. The new construction from these industries, as well as continuing growth in the community will bring in additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

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

Contacting the City's Financial Management

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

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City of Chillicothe, Ohio
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$8,121,751	\$10,051,793	\$18,173,544
Cash and Cash Equivalents in Segregated Accounts	1,002	0	1,002
Investments	1,000	0	1,000
Materials and Supplies Inventory	86,427	42,639	129,066
Accrued Interest Receivable	103,229	0	103,229
Accounts Receivable	653,111	1,121,121	1,774,232
Intergovernmental Receivable	1,510,357	0	1,510,357
Prepaid Items	486,913	128,149	615,062
Income Taxes Receivable	2,233,130	0	2,233,130
Property Taxes Receivable	1,336,264	0	1,336,264
Other Taxes Receivable	171,339	0	171,339
Special Assessments Receivable	48,873	0	48,873
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466
Cash and Cash Equivalents with Fiscal Agents	0	4	4
Non-Depreciable Capital Assets	6,999,291	1,906,343	8,905,634
Depreciable Capital Assets, net	27,098,041	32,159,577	59,257,618
<i>Total Assets</i>	<u>48,850,728</u>	<u>46,028,092</u>	<u>94,878,820</u>
Deferred Outflows of Resources	<u>12,297,895</u>	<u>1,557,685</u>	<u>13,855,580</u>
Liabilities:			
Accounts Payable	508,517	130,105	638,622
Accrued Wages and Benefits	195,525	47,475	243,000
Contracts Payable	444,939	80,923	525,862
Intergovernmental Payable	321,340	39,953	361,293
Matured Compensated Absences	7,842	0	7,842
Accrued Interest Payable	36,176	4,589	40,765
<i>Long-Term Liabilities:</i>			
Due Within One Year	1,990,420	906,854	2,897,274
<i>Due in More Than One Year:</i>			
Net Pension Liability	34,186,540	4,474,264	38,660,804
Net OPEB Liability	7,949,955	2,107,602	10,057,557
Other Amounts Due in More Than One Year	9,145,751	1,686,496	10,832,247
<i>Total Liabilities</i>	<u>54,787,005</u>	<u>9,478,261</u>	<u>64,265,266</u>
Deferred Inflows of Resources	<u>2,469,044</u>	<u>109,156</u>	<u>2,578,200</u>
Net Position:			
Net Investments in Capital Assets	25,181,090	32,231,325	57,412,415
<i>Restricted for:</i>			
Debt Service	196,466	4	196,470
Capital Outlay	1,060,549	618,466	1,679,015
Street Maintenance and Repair	2,451,875	0	2,451,875
Bus Transit	695,352	0	695,352
Housing and Urban Development	13,430	0	13,430
Other Purposes	1,201,053	0	1,201,053
<i>Permanent Fund Purpose:</i>			
Expendable	2,355	0	2,355
Nonexpendable	1,000	0	1,000
Unrestricted (Deficit)	(26,910,596)	5,148,565	(21,762,031)
<i>Total Net Position</i>	<u>\$3,892,574</u>	<u>\$37,998,360</u>	<u>\$41,890,934</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Governmental Activities:				
General Government	\$8,183,220	\$2,224,889	\$0	\$0
<i>Security of Persons and Property:</i>				
Police	2,920,880	39,815	393,488	0
Fire	481,614	1,091,456	14,482	0
Transportation	12,236,494	5,202,451	2,457,636	512,747
Leisure Time Services	1,091,968	96,761	0	83,569
Community Environment	775,071	0	363,546	0
Basic Utility Services	1,144,709	1,643,182	0	0
Interest and Fiscal Charges	251,742	0	0	0
Issuance Costs	16,031	0	0	0
<i>Total Governmental Activities</i>	<u>27,101,729</u>	<u>10,298,554</u>	<u>3,229,152</u>	<u>596,316</u>
Business-Type Activities:				
Sewer	3,968,060	3,488,525	0	0
Water	5,026,351	4,382,532	0	0
<i>Total Business-Type Activities</i>	<u>8,994,411</u>	<u>7,871,057</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u>\$36,096,140</u>	<u>\$18,169,611</u>	<u>\$3,229,152</u>	<u>\$596,316</u>

General Revenues

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Municipal Income Taxes Levied for:

General Purposes

Transportation

Capital Outlay

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

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
(5,958,331)	\$0	(\$5,958,331)
(2,487,577)	0	(2,487,577)
624,324	0	624,324
(4,063,660)	0	(4,063,660)
(911,638)	0	(911,638)
(411,525)	0	(411,525)
498,473	0	498,473
(251,742)	0	(251,742)
(16,031)	0	(16,031)
(12,977,707)	0	(12,977,707)
0	(479,535)	(479,535)
0	(643,819)	(643,819)
0	(1,123,354)	(1,123,354)
(12,977,707)	(1,123,354)	(14,101,061)
971,603	0	971,603
235,310	0	235,310
12,420,854	0	12,420,854
2,370,531	0	2,370,531
977,219	0	977,219
407,401	0	407,401
677,305	0	677,305
300,227	0	300,227
1,223,546	200,029	1,423,575
19,583,996	200,029	19,784,025
(28,649)	28,649	0
19,555,347	228,678	19,784,025
6,577,640	(894,676)	5,682,964
(2,685,066)	38,893,036	36,207,970
\$3,892,574	\$37,998,360	\$41,890,934

City of Chillicothe, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

	General	Street Construction Maintenance & Repair Fund	Bus Transit	All Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$3,750,567	\$1,667,892	\$427,593	\$2,211,444	\$8,057,496
Cash and Cash Equivalents in Segregated Accounts	0	0	0	1,002	1,002
Investments in City Treasury	0	0	0	1,000	1,000
Accrued Interest Receivable	103,229	0	0	0	103,229
Accounts Receivable	274,396	0	378,715	0	653,111
Interfund Receivable	15,625	0	0	125,000	140,625
Intergovernmental Receivable	478,284	667,782	253,983	110,308	1,510,357
Income Taxes Receivable	1,674,849	223,313	111,656	223,312	2,233,130
Property Taxes Receivable	1,076,634	0	0	259,630	1,336,264
Other Taxes Receivable	171,339	0	0	0	171,339
Special Assessments Receivable	48,873	0	0	0	48,873
Materials and Supplies Inventory	43,110	17,750	25,567	0	86,427
Prepaid Items	319,397	11,263	116,909	39,344	486,913
<i>Total Assets</i>	<u>\$7,956,303</u>	<u>\$2,588,000</u>	<u>\$1,314,423</u>	<u>\$2,971,040</u>	<u>\$14,829,766</u>
Liabilities:					
Accounts Payable	\$385,481	\$52,663	\$18,246	\$42,281	\$498,671
Accrued Wages and Benefits	162,552	5,381	22,680	4,912	195,525
Contracts Payable	9,850	0	435,089	0	444,939
Intergovernmental Payable	160,366	5,233	23,783	131,958	321,340
Matured Compensated Absences	7,842	0	0	0	7,842
Interfund Payable	125,000	6,250	3,125	6,250	140,625
<i>Total Liabilities</i>	<u>851,091</u>	<u>69,527</u>	<u>502,923</u>	<u>185,401</u>	<u>1,608,942</u>
Deferred Inflows of Resources	<u>2,019,238</u>	<u>527,408</u>	<u>280,864</u>	<u>427,406</u>	<u>3,254,916</u>
Fund Balances:					
Nonspendable	473,492	29,013	142,476	40,344	685,325
Restricted	0	1,962,052	388,160	2,312,124	4,662,336
Committed	145,715	0	0	0	145,715
Assigned	131,006	0	0	5,765	136,771
Unassigned	4,335,761	0	0	0	4,335,761
<i>Total Fund Balances</i>	<u>5,085,974</u>	<u>1,991,065</u>	<u>530,636</u>	<u>2,358,233</u>	<u>9,965,908</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$7,956,303</u>	<u>\$2,588,000</u>	<u>\$1,314,423</u>	<u>\$2,971,040</u>	<u>\$14,829,766</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2019

Total Governmental Fund Balances \$9,965,908

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 34,097,332

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

Property and Other Taxes	58,158
Income Taxes	822,197
Intergovernmental	1,061,482
Special Assessments	34,973

Total 1,976,810

Some interest is not due and payable in the current period and therefore is not reported in the funds. (36,176)

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

Refunding Bonds	(2,960,000)
General Obligation Bonds	(5,227,848)
Premium on Bonds	(238,149)
Lease - Purchase Agreements	(495,500)
Capital Leases Payable	(209,745)
Landfill Postclosure Costs	(49,832)
Compensated Absences Payable	(1,955,097)

Total (11,136,171)

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

Deferred Outflows - Pension	9,926,931
Deferred Outflows - OPEB	2,370,964
Deferred Inflows - Pension	(407,900)
Deferred Inflows - OPEB	(783,038)
Net Pension Liability	(34,186,540)
Net OPEB Liability	(7,949,955)

Total (31,029,538)

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

54,409

Net Position of Governmental Activities \$3,892,574

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Street Construction Maintenance & Repair Fund	Bus Transit	All Other Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$969,077	\$0	\$0	\$234,682	\$1,203,759
Income Taxes	12,135,582	1,604,139	810,101	1,620,203	16,170,025
Other Local Taxes	407,401	0	0	0	407,401
Charges for Services	3,829,979	0	5,187,647	105,778	9,123,404
Fines, Licenses, and Permits	1,114,589	0	0	43,785	1,158,374
Intergovernmental	1,279,508	1,133,708	1,073,019	1,034,928	4,521,163
Special Assessments	2,046	0	0	0	2,046
Increase in Fair Value	29,431	0	0	0	29,431
Interest	270,685	45	22	61	270,813
Contributions and Donations	0	0	0	85,369	85,369
Other	875,504	27,182	235,282	85,578	1,223,546
<i>Total Revenues</i>	<u>20,913,802</u>	<u>2,765,074</u>	<u>7,306,071</u>	<u>3,210,384</u>	<u>34,195,331</u>
Expenditures:					
<i>Current:</i>					
General Government	6,882,988	0	0	0	6,882,988
<i>Security of Persons and Property:</i>					
Police	6,751,247	0	0	696,098	7,447,345
Fire	5,398,807	0	0	788,482	6,187,289
Transportation	326,094	2,823,009	7,454,506	291,625	10,895,234
Leisure Time Services	0	0	0	821,085	821,085
Community Environment	37,525	0	0	435,000	472,525
Basic Utility Services	1,038,883	0	0	0	1,038,883
Capital Outlay	68,892	0	0	963,554	1,032,446
<i>Debt Service:</i>					
Principal Retirements	246,860	650,000	34,581	322,738	1,254,179
Interest and Fiscal Charges	93,734	98,012	43,182	34,091	269,019
Issuance Costs	0	0	0	16,031	16,031
<i>Total Expenditures</i>	<u>20,845,030</u>	<u>3,571,021</u>	<u>7,532,269</u>	<u>4,368,704</u>	<u>36,317,024</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>68,772</u>	<u>(805,947)</u>	<u>(226,198)</u>	<u>(1,158,320)</u>	<u>(2,121,693)</u>
Other Financing Sources and Uses:					
Proceeds from the Sale of Capital Assets	5,197	0	0	0	5,197
Issuance of General Obligation Bonds	402,000	382,000	0	607,000	1,391,000
Issuance of Lease - Purchase Agreements	495,500	0	0	0	495,500
Premium on Bonds Issued	0	0	0	112,440	112,440
Transfers In	716,535	3,283	0	1,399,783	2,119,601
Transfers Out	(1,433,066)	(75,591)	(53)	(639,540)	(2,148,250)
<i>Total Other Financing Sources and Uses</i>	<u>186,166</u>	<u>309,692</u>	<u>(53)</u>	<u>1,479,683</u>	<u>1,975,488</u>
<i>Net Change in Fund Balance</i>	<u>254,938</u>	<u>(496,255)</u>	<u>(226,251)</u>	<u>321,363</u>	<u>(146,205)</u>
<i>Fund Balance at Beginning of Year</i>	<u>4,831,036</u>	<u>2,487,320</u>	<u>756,887</u>	<u>2,036,870</u>	<u>10,112,113</u>
<i>Fund Balance at End of Year</i>	<u>\$5,085,974</u>	<u>\$1,991,065</u>	<u>\$530,636</u>	<u>\$2,358,233</u>	<u>\$9,965,908</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds (\$146,205)

**Amounts reported for governmental activities in the Statement of Activities are
are different because:**

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

Capital Asset Additions	3,011,666	
Current Year Depreciation	(2,947,677)	
Total		63,989

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. (487,294)

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

Delinquent Property Taxes	3,154	
Income Taxes	(401,421)	
Intergovernmental	(101,959)	
Delinquent Special Assessments	12,913	
Total		(487,313)

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

Principal Retirement	1,254,179
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (8,984)

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

Proceeds from Bonds	(1,391,000)	
Premium on Bonds Issued	(112,440)	
Proceeds from Lease-Purchase Agreement	(495,500)	
Total		(1,998,940)

Landfill Closure expenditures that are reported as a reduction of a liability as a change in estimate and are reported in the statement of activities. 57,819

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

Compensated Absences	34,940	
Premium on Bonds Issued	26,261	
Total		61,201

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,295,024

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. 6,002,889

The internal service fund used by management to charge the cost of fuel purchasing program to individual funds is not reported in the government-wide Statement of Activities. Governmental expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the activities. (28,725)

Change in Net Position - Governmental Activities \$6,577,640

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$944,033	\$969,077	\$969,077	\$0
Income Taxes	11,313,750	11,796,243	11,846,120	49,877
Other Local Taxes	357,700	381,350	381,346	(4)
Charges for Services	3,778,653	3,819,111	3,812,612	(6,499)
Fines, Licenses and Permits	1,376,375	1,216,005	1,216,465	460
Intergovernmental	967,745	1,245,927	1,240,573	(5,354)
Special Assessments	6,000	27,508	27,508	0
Interest	152,000	212,773	226,633	13,860
Other	756,668	848,365	869,577	21,212
Total Revenue	19,652,924	20,516,359	20,589,911	73,552
Expenditures:				
<i>Current:</i>				
General Government	5,906,149	7,299,616	6,627,688	671,928
Security of Persons and Property				
Police	5,580,733	6,840,339	6,821,663	18,676
Fire	5,045,703	5,389,528	5,373,930	15,598
Transportation	330,410	354,560	326,094	28,466
Community Environment	175	175	0	175
Basic Utility Services	1,005,614	1,073,622	1,036,777	36,845
<i>Debt Service:</i>				
Principal Retirement	50,000	160,417	160,417	0
Interest and Fiscal Charges	70,319	75,264	75,264	0
Total Expenditures	17,989,103	21,193,521	20,421,833	771,688
Excess of Revenues Over (Under) Expenditures	1,663,821	(677,162)	168,078	845,240
Other Financing Sources and Uses:				
Proceeds from Sale of Capital Assets	0	5,197	5,197	0
Notes Issued	0	495,500	495,500	0
Bonds Issued	0	382,000	382,000	0
Advances In	0	180,000	180,000	0
Advances Out	0	(180,000)	(180,000)	0
Transfers In	543,842	778,165	780,786	2,621
Transfers Out	(1,182,057)	(2,046,224)	(2,040,130)	6,094
Total Other Financing Sources and Uses	(638,215)	(385,362)	(376,647)	8,715
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,025,606	(1,062,524)	(208,569)	853,955
Fund Balances at Beginning of Year	3,385,249	3,385,249	3,385,249	0
Prior Year Encumbrances Appropriated	38,156	38,156	38,156	0
Fund Balances at End of Year	\$4,449,011	\$2,360,881	\$3,214,836	\$853,955

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,508,500	\$1,558,904	\$1,565,545	\$6,641
Intergovernmental	885,000	1,060,799	1,060,176	(623)
Interest	0	100	45	(55)
Other	18,429	25,961	27,182	1,221
<i>Total Revenues</i>	<u>2,411,929</u>	<u>2,645,764</u>	<u>2,652,948</u>	<u>7,184</u>
Expenditures:				
<i>Current:</i>				
Transportation	2,798,940	3,548,746	3,147,362	401,384
<i>Debt Service:</i>				
Principal Retirement	650,000	650,000	650,000	0
Interest and Fiscal Charges	98,012	98,012	98,012	0
<i>Total Expenditures</i>	<u>3,546,952</u>	<u>4,296,758</u>	<u>3,895,374</u>	<u>401,384</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,135,023)</u>	<u>(1,650,994)</u>	<u>(1,242,426)</u>	<u>408,568</u>
Other Financing Sources and Uses:				
Bonds Issued	0	382,000	382,000	0
Transfers In	0	3,283	3,283	0
Transfers Out	(47,500)	(78,091)	(75,591)	2,500
<i>Total Other Financing Sources and Uses</i>	<u>(47,500)</u>	<u>307,192</u>	<u>309,692</u>	<u>2,500</u>
<i>Excess of Revenues and Other Sources Under Expenditures and Other Uses</i>	<u>(1,182,523)</u>	<u>(1,343,802)</u>	<u>(932,734)</u>	<u>411,068</u>
<i>Fund Balances at Beginning of Year</i>	<u>2,007,512</u>	<u>2,007,512</u>	<u>2,007,512</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>360,232</u>	<u>360,232</u>	<u>360,232</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,185,221</u></u>	<u><u>\$1,023,942</u></u>	<u><u>\$1,435,010</u></u>	<u><u>\$411,068</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$754,250	\$787,480	\$790,805	\$3,325
Charges for Services	4,795,000	4,839,217	4,839,356	139
Intergovernmental	1,589,165	1,431,845	1,431,845	0
Interest	0	22	22	0
Other	202,268	231,117	239,670	8,553
<i>Total Revenues</i>	<u>7,340,683</u>	<u>7,289,681</u>	<u>7,301,698</u>	<u>12,017</u>
Expenditures:				
<i>Current:</i>				
Transportation	7,284,587	7,498,921	7,366,300	132,621
<i>Debt Service:</i>				
Principal Retirement	30,000	30,000	30,000	0
Interest and Fiscal Charges	41,931	41,931	41,931	0
<i>Total Expenditures</i>	<u>7,356,518</u>	<u>7,570,852</u>	<u>7,438,231</u>	<u>132,621</u>
<i>Excess of Revenues Under Expenditures</i>	(15,835)	(281,171)	(136,533)	144,638
Other Financing Uses:				
Transfers Out	(100)	(100)	(53)	47
<i>Total Other Financing Uses</i>	<u>(100)</u>	<u>(100)</u>	<u>(53)</u>	<u>47</u>
<i>Excess of Revenues Under Expenditures and Other Uses</i>	(15,935)	(281,271)	(136,586)	144,685
<i>Fund Balances at Beginning of Year</i>	<u>558,306</u>	<u>558,306</u>	<u>558,306</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$542,371</u>	<u>\$277,035</u>	<u>\$421,720</u>	<u>\$144,685</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Assets:				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,362,421	\$4,689,372	\$10,051,793	\$64,255
Accounts Receivable	610,862	510,259	1,121,121	0
Materials and Supplies Inventory	34,685	7,954	42,639	0
Prepaid Items	79,234	48,915	128,149	0
<i>Total Current Assets</i>	<u>6,087,202</u>	<u>5,256,500</u>	<u>11,343,702</u>	<u>64,255</u>
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466	0
Cash and Cash Equivalents with Fiscal Agents	4	0	4	0
Non-Depreciable Capital Assets	1,412,520	493,823	1,906,343	0
Depreciable Capital Assets, Net	19,033,235	13,126,342	32,159,577	0
<i>Total Noncurrent Assets</i>	<u>20,445,759</u>	<u>14,238,631</u>	<u>34,684,390</u>	<u>0</u>
<i>Total Assets</i>	<u>26,532,961</u>	<u>19,495,131</u>	<u>46,028,092</u>	<u>64,255</u>
Deferred Outflows of Resources	<u>883,562</u>	<u>674,123</u>	<u>1,557,685</u>	<u>0</u>
Liabilities:				
<i>Current:</i>				
Accounts Payable	53,035	77,070	130,105	9,846
Accrued Wages and Benefits	26,999	20,476	47,475	0
Contracts Payable	0	80,923	80,923	0
Intergovernmental Payable	21,592	18,361	39,953	0
Accrued Interest Payable	1,916	2,673	4,589	0
Compensated Absences Payable	200,125	111,650	311,775	0
General Obligation Bonds Payable	452,000	142,000	594,000	0
Capital Lease Payable	1,079	0	1,079	0
<i>Total Current Liabilities</i>	<u>756,746</u>	<u>453,153</u>	<u>1,209,899</u>	<u>9,846</u>
<i>Noncurrent Liabilities:</i>				
Compensated Absences Payable - net of current portion	278,424	168,556	446,980	0
General Obligation Bonds Payable - net of current portion	370,000	785,000	1,155,000	0
Capital Leases Payable - net of current portion	4,549	0	4,549	0
Unamortized Premium on Bonds	39,159	40,808	79,967	0
Net Pension Liability	2,505,588	1,968,676	4,474,264	0
Net OPEB Liability	1,180,257	927,345	2,107,602	0
<i>Total Noncurrent Liabilities</i>	<u>4,377,977</u>	<u>3,890,385</u>	<u>8,268,362</u>	<u>0</u>
<i>Total Liabilities</i>	<u>5,134,723</u>	<u>4,343,538</u>	<u>9,478,261</u>	<u>9,846</u>
Deferred Inflows of Resources	<u>37,035</u>	<u>72,121</u>	<u>109,156</u>	<u>0</u>
Net Position:				
Net Investments in Capital Assets	19,578,968	12,652,357	32,231,325	0
Restricted for Debt Service	4	0	4	0
Restricted for Capital Outlay	0	618,466	618,466	0
Unrestricted	2,665,793	2,482,772	5,148,565	54,409
<i>Total Net Position</i>	<u>\$22,244,765</u>	<u>\$15,753,595</u>	<u>\$37,998,360</u>	<u>\$54,409</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Operating Revenues:				
Charges for Services	\$4,382,532	\$3,488,525	\$7,871,057	\$416,469
Other	136,344	63,685	200,029	0
<i>Total Operating Revenues</i>	<u>4,518,876</u>	<u>3,552,210</u>	<u>8,071,086</u>	<u>416,469</u>
Operating Expenses:				
Personal Services	1,423,720	1,129,459	2,553,179	0
Fringe Benefits	1,324,670	961,706	2,286,376	0
Travel	1,569	0	1,569	0
Contractual Services	155,923	105,477	261,400	0
Materials and Supplies	892,277	799,136	1,691,413	420,194
Depreciation	922,819	732,765	1,655,584	0
Other	229,503	213,097	442,600	25,000
<i>Total Operating Expenses</i>	<u>4,950,481</u>	<u>3,941,640</u>	<u>8,892,121</u>	<u>445,194</u>
<i>Operating Income (Loss)</i>	<u>(431,605)</u>	<u>(389,430)</u>	<u>(821,035)</u>	<u>(28,725)</u>
Non-Operating Expenses:				
Loss on Sale of Capital Assets	(61,597)	(1,573)	(63,170)	0
Interest and Fiscal Charges	(9,871)	(20,445)	(30,316)	0
Bond Issuance Costs	(4,402)	(4,402)	(8,804)	0
<i>Total Non-Operating Expense</i>	<u>(75,870)</u>	<u>(26,420)</u>	<u>(102,290)</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	<u>(507,475)</u>	<u>(415,850)</u>	<u>(923,325)</u>	<u>(28,725)</u>
Transfers In	0	30,000	30,000	0
Transfers Out	(669)	(682)	(1,351)	0
<i>Change in Net Position</i>	<u>(508,144)</u>	<u>(386,532)</u>	<u>(894,676)</u>	<u>(28,725)</u>
<i>Net Position at Beginning of Year</i>	<u>22,752,909</u>	<u>16,140,127</u>	<u>38,893,036</u>	<u>83,134</u>
<i>Net Position at End of Year</i>	<u>\$22,244,765</u>	<u>\$15,753,595</u>	<u>\$37,998,360</u>	<u>\$54,409</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Cash Flows
Proprietary Funds
9For the Year Ended December 31, 2019

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,395,179	\$3,514,623	\$7,909,802	\$416,469
Cash Received from Other Receipts	136,344	63,685	200,029	0
Cash Payments to Employees	(2,205,355)	(1,791,163)	(3,996,518)	0
Cash Payments for Contractual Services	(160,107)	(112,879)	(272,986)	0
Cash Payments for Supplies and Materials	(903,706)	(1,101,347)	(2,005,053)	(435,348)
Cash Payments for Other Expenses	(238,935)	(178,020)	(416,955)	0
<i>Net Cash Provided by Operating Activities</i>	<u>1,023,420</u>	<u>394,899</u>	<u>1,418,319</u>	<u>(18,879)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers In from Other Funds	0	30,000	30,000	0
Transfers Out to Other Funds	(669)	(682)	(1,351)	0
<i>Net Cash Provided (Used) by Non-Capital Financing Activities</i>	<u>(669)</u>	<u>29,318</u>	<u>28,649</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds Received from Notes and Capital Leases	387,628	382,000	769,628	0
Premium Received from Issuance of Bonds	30,879	30,879	61,758	0
Principal Paid on Bonds, Notes and Capital Leases	(435,000)	(130,000)	(565,000)	0
Interest Paid on Bonds, Notes and Capital Leases	(17,500)	(20,350)	(37,850)	0
Issuance Costs on Bonds	(4,402)	(4,402)	(8,804)	0
Cash Paid to Acquire/Construct Capital Assets	(641,614)	(509,273)	(1,150,887)	0
<i>Net Cash Used by Capital and Related Financing</i>	<u>(680,009)</u>	<u>(251,146)</u>	<u>(931,155)</u>	<u>0</u>
<i>Net Change In Cash and Cash Equivalents</i>	<u>342,742</u>	<u>173,071</u>	<u>515,813</u>	<u>(18,879)</u>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>5,019,683</u>	<u>5,134,767</u>	<u>10,154,450</u>	<u>83,134</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$5,362,425</u>	<u>\$5,307,838</u>	<u>\$10,670,263</u>	<u>\$64,255</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	(\$431,605)	(\$389,430)	(\$821,035)	(\$28,725)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	922,819	732,765	1,655,584	0
<i>Changes in Assets and Liabilities:</i>				
(Increase) Decrease in Accounts Receivable	12,647	26,098	38,745	0
(Increase) Decrease in Material & Supply Inventory	(10,406)	617	(9,789)	0
(Increase) Decrease in Prepaid Items	33,504	(27,740)	5,764	0
(Increase) Decrease in Deferred Outflows of Resources	(423,492)	(306,189)	(729,681)	0
Increase (Decrease) in Accounts Payable	(9,058)	(354,178)	(363,236)	9,846
Increase (Decrease) in Contracts Payable	(2,500)	78,423	75,923	0
Increase (Decrease) in Accrued Wages Payable	12,313	1,086	13,399	0
Increase (Decrease) in Compensated Absences Payable	20,680	(5,732)	14,948	0
Increase (Decrease) in Intergovernmental Payable	363	3,538	3,901	0
Increase (Decrease) in Net Pension Liability	1,073,002	793,369	1,866,371	0
Increase (Decrease) in Net OPEB Liability	204,439	126,775	331,214	0
Increase (Decrease) in Deferred Inflows of Resources	(379,286)	(284,503)	(663,789)	0
Net Cash Provided by Operating Activities	<u>\$1,023,420</u>	<u>\$394,899</u>	<u>\$1,418,319</u>	<u>(\$18,879)</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

	Agency Funds
<hr/>	
Assets:	
<i>Current Assets:</i>	
Equity in Pooled Cash & Cash Equivalents	\$38,056
Cash and Cash Equivalents in Segregated Accounts	94,307
	<hr/>
<i>Total Assets</i>	\$132,363
	<hr/> <hr/>
Liabilities:	
<i>Current Liabilities:</i>	
Intergovernmental Payable	\$62,392
Undistributed Monies	31,915
Deposits Held and Due to Others	38,056
	<hr/>
<i>Total Liabilities</i>	\$132,363
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - DESCRIPTION OF THE CITY OF CHILLICOTHE

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, all liabilities and deferred inflows/outflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Expenditures/Expenses

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

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

Budgetary Accounting and Control

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

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

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

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

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

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

Cash and Cash Equivalents

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019 amounted to \$270,685, which includes \$215,811 assigned from other City funds.

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

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

Inventory

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

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Restricted Assets

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

Capital Assets

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

Compensated Absences

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

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

Net Position

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

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

Operating Revenues and Expenses

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

Interfund Transactions

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

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

Interfund Balances

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019.

Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance/Excess of Revenue and Other Sources			
Over (Under) Expenditures and Other Uses			
	<u>General Fund</u>	<u>Street Construction Maintenance & Repair</u>	<u>Bus Transit Fund</u>
GAAP Basis	\$254,938	(\$496,255)	(\$226,251)
Adjustments:			
Net Adjustments for Revenue Accruals	(315,612)	(112,126)	(4,373)
Net Adjustments for Expenditure Accruals	(12,312)	(304,899)	99,911
Encumbrances	(46,120)	(19,454)	(5,873)
Net Adjustment for Other Sources (Uses)	15,000	0	0
<i>Prospective Difference:</i>			
Activity of Funds Reclassified For GAAP Reporting Purposes	<u>(104,463)</u>	<u>0</u>	<u>0</u>
Budget Basis	<u>(\$208,569)</u>	<u>(\$932,734)</u>	<u>(\$136,586)</u>

NOTE 4 - CASH, DEPOSITS, AND INVESTMENTS

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
-Pooled	\$18,830,066
-Segregated	95,309
-Fiscal Agents	4
Investment (Carrying Amount)	1,000
Reconciling items (net) to arrive at bank balances for deposits	360,413
Total available for deposit and investment	\$19,286,792

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

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

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

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

At December 31, 2019, the carrying amount of all City deposits was \$18,925,379. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2019, the City's bank balance of \$19,285,792 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, OHIO
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Investments: As of December 31, 2019, the City had the following investment and maturity:

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

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

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its investments to those authorized by state statute.

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

The City has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2019.

The City's investment is a Level 1 input.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2019 consisted of property and other taxes, municipal income taxes, accounts (billings for user charged services), special assessments, and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities

General Fund:

Local Government Distributions	\$416,936
State Property Tax Reimbursements	61,348
Total General Fund	478,284

Street Construction Maintenance & Repair Distributions	667,782
Bus Transit Grants	253,983

Nonmajor Governmental Funds:

State Highway Distributions	54,144
State Grants	41,400
Police & Fire Pension State Property Tax Reimbursements	14,764
Total Nonmajor Governmental Funds	110,308

Total Intergovernmental Receivables	\$1,510,357
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CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – DEFERRED INFLOW/OUTFLOW

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

	Governmental Activities	Business-Type Activities	Water Fund	Sewer Fund
Pension	\$9,926,931	\$1,373,746	\$782,349	\$591,397
OPEB	2,370,964	173,939	101,213	72,726
Deferred Charges on Refunding Debt	0	10,000	0	10,000
Total	\$12,297,895	\$1,557,685	\$883,562	\$674,123

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

	Governmental Activities	Business-Type Activities	Water Fund	Sewer Fund
Property Tax	\$1,278,106	\$0	\$0	\$0
Pension	407,900	79,155	33,832	45,323
OPEB	783,038	30,001	3,203	26,798
Total	\$2,469,044	\$109,156	\$37,035	\$72,121

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

CITY OF CHILLICOTHE, OHIO
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	General	Street	Bus Transit	Other Governmental Funds	Totals
Property Tax	\$1,076,634	\$0	\$0	\$259,630	\$1,336,264
Income Taxes	616,648	82,220	41,110	82,219	822,197
Grants and Entitlements	290,983	445,188	239,754	85,557	1,061,482
Special Assessment	34,973	0	0	0	34,973
Total Deferred Inflows of Resources	<u>\$2,019,238</u>	<u>\$527,408</u>	<u>\$280,864</u>	<u>\$427,406</u>	<u>\$3,254,916</u>

NOTE 7 - CAPITAL ASSETS

The following table provides a summary of the changes in capital assets during 2019 for the governmental activities:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$6,864,490	\$125,241	\$0	\$6,989,731
Construction in Progress	0	9,560	0	9,560
Total Nondepreciable Capital Assets	<u>6,864,490</u>	<u>134,801</u>	<u>0</u>	<u>6,999,291</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	5,113,894	123,944	0	5,237,838
Buildings, Structures & Improvements	20,827,319	779,392	(4,650)	21,602,061
Furniture, Fixtures, Equipment & Vehicles	15,451,282	1,023,008	(309,889)	16,164,401
Infrastructure	<u>62,181,111</u>	<u>950,521</u>	<u>(1,266,601)</u>	<u>61,865,031</u>
Total Depreciable Capital Assets	103,573,606	2,876,865	(1,581,140)	104,869,331
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(5,011,630)	(42,465)	0	(5,054,095)
Buildings, Structures & Improvements	(11,226,224)	(473,664)	4,339	(11,695,549)
Furniture, Fixtures, Equipment & Vehicles	(11,814,177)	(1,172,956)	158,511	(12,828,622)
Infrastructure	<u>(47,865,428)</u>	<u>(1,258,592)</u>	<u>930,996</u>	<u>(48,193,024)</u>
Total Accumulated Depreciation	<u>(75,917,459)</u>	<u>(2,947,677)</u>	<u>1,093,846</u>	<u>(77,771,290)</u>
Total Capital Assets Being Depreciated, Net	<u>27,656,147</u>	<u>(70,812)</u>	<u>(487,294)</u>	<u>27,098,041</u>
Governmental Activities Capital Assets, Net	<u><u>\$34,520,637</u></u>	<u><u>\$63,989</u></u>	<u><u>(\$487,294)</u></u>	<u><u>\$34,097,332</u></u>

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Governmental Activities	
General Government	\$262,599
<i>Security of Persons and Property:</i>	
Police	315,483
Fire	207,187
Transportation	1,609,492
Community Environment	309,563
Leisure Time Activities	243,353
	<u>243,353</u>
Governmental Activities Depreciation Expense	<u><u>\$2,947,677</u></u>

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

	Balance 1/1/ 2019	Additions	Deletions	Balance 12/31/ 2019
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,889,017	\$17,326	\$0	\$1,906,343
Construction in Progress	154,394	0	(154,394)	0
Total Nondepreciable Capital Assets	<u>2,043,411</u>	<u>17,326</u>	<u>(154,394)</u>	<u>1,906,343</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	277,921	17,326	0	295,247
Buildings, Structures & Improvements	5,121,795	778,329	0	5,900,124
Plant & Facilities	26,027,607	0	0	26,027,607
Furniture, Fixtures, Equipment & Vehicles	4,138,007	230,490	0	4,368,497
Infrastructure	<u>31,796,654</u>	<u>261,810</u>	<u>(80,561)</u>	<u>31,977,903</u>
Total Depreciable Capital Assets	67,361,984	1,287,955	(80,561)	68,569,378
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(277,921)	0	0	(277,921)
Buildings, Structures & Improvements	(3,145,483)	(181,855)	0	(3,327,338)
Plant & Facilities	(14,297,948)	(516,039)	0	(14,813,987)
Furniture, Fixtures, Equipment & Vehicles	(3,088,880)	(323,378)	0	(3,412,258)
Infrastructure	<u>(13,961,376)</u>	<u>(634,312)</u>	<u>17,391</u>	<u>(14,578,297)</u>
Total Accumulated Depreciation	<u>(34,771,608)</u>	<u>(1,655,584)</u>	<u>17,391</u>	<u>(36,409,801)</u>
Total Capital Assets Being Depreciated, Net	<u>32,590,376</u>	<u>(367,629)</u>	<u>(63,170)</u>	<u>32,159,577</u>
Business-Type Activities Capital Assets, Net	<u><u>\$34,633,787</u></u>	<u><u>(\$350,303)</u></u>	<u><u>(\$217,564)</u></u>	<u><u>\$34,065,920</u></u>

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2019 was as follows:

Governmental Activities General Obligation Bonds and Other Long-Term Obligations

	Balance 1/1/ 2019	Additions	Deletions	Balance 12/31/ 2019	Amount Due Within One Year
Governmental Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$4,850,000, 1.00% - 4.00%, 2013 -2041					
Serial Bonds	\$945,000	\$0	(\$315,000)	\$630,000	\$195,000
Term Bonds	2,330,000	0	0	2,330,000	0
Issuance Premium on Bonds	10,216	0	(4,253)	5,963	0
<i>General Obligation Bonds:</i>					
Garbage Truck Project					
\$260,000, 2.00%, 2015-2019	65,000	0	(65,000)	0	0
Issuance Premium on Bonds	1,309	0	(1,309)	0	0
Street Improvement Project (2016)					
\$3,000,000, 2.52%, 2016-2026	2,460,000	0	(285,000)	2,175,000	290,000
Issuance Premium on Bonds	81,740	0	(10,217)	71,523	0
Squad / Leaf Blower					
\$210,000, 2.20%, 2016 -2020	106,052	0	(52,449)	53,603	53,603
7 Police Cruisers (2016)					
\$226,417, 1.95%, 2016 -2019	56,605	0	(56,605)	0	0
7 Police Cruisers (2017)					
\$235,000, 2.65%, 2017 -2020	118,335	0	(58,401)	59,934	59,934
Street Improvement Project (2017)	1,300,000	0	(205,000)	1,095,000	210,000
\$1,490,000, 2.49%, 2017-2024					
Issuance Premium on Bonds	50,333	0	(8,389)	41,944	0
Street Sweeper	140,000	0	(35,000)	105,000	35,000
\$175,000, 2.49%, 2017-2024					
Issuance Premium on Bonds	4,265	0	(1,066)	3,199	0
Garbage Truck	140,000	0	(30,000)	110,000	35,000
\$165,000, 2.49%, 2017-2024					
Issuance Premium on Bonds	4,107	0	(1,027)	3,080	0
Police Cruisers/Squad 2018					
\$297,889, 3.35%, 2018 -2023	297,889	0	(59,578)	238,311	59,578
2019 General Obligation Bonds					
\$1,391,000, 4.0%, 2019-2039	0	1,391,000	0	1,391,000	61,000
Issuance Premium on Bonds	0	112,440	0	112,440	0

(Continued)

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance 1/1/ 2019	Additions	Deletions	Balance 12/31/ 2019	Amount Due Within One Year
Governmental Activities:					
<i>Other Long-Term Obligations:</i>					
Compensated Absences	1,990,037	436,245	(471,184)	1,955,097	748,777
Lease - Purchase Agreements	0	495,500	0	495,500	100,005
Capital Leases	301,892	0	(92,147)	209,745	92,691
Landfill Post-Closure Care	107,651	0	(57,819)	49,832	49,832
<i>Net Pension Liability-OPERS:</i>					
OPERS	6,357,678	5,147,571	0	11,505,249	0
OP&F	16,890,395	5,790,395	0	22,681,291	0
Total Net Pension Liability - OPERS	23,248,073	10,937,966	0	34,186,540	0
<i>Net OPEB Liability - OPERS:</i>					
OPERS	4,325,432	1,094,117	0	5,419,549	0
OP&F	15,592,571	0	(13,062,165)	2,530,406	0
Total Net Pension Liability-OPERS	19,918,003	1,094,117	(13,062,165)	7,949,955	0
Governmental Activities					
Long-Term Obligations	\$53,676,507	\$14,467,268	(\$14,871,609)	\$53,272,666	\$1,990,420

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Various Purpose Bonds maturing December 1, 2026 shall be subject to mandatory sinking fund redemption in part on December 1, 2024 and December 1, 2025 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

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

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

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

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

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Obligation Bonds - During 2019, the City issued \$1,146,000 of general obligation bonds for the purpose of purchasing the Pepsi building. The premium of \$112,440 on the issuance of bonds is netted against this debt and is amortized over the life of this debt. This bond will be retired through the General Fund using tax revenues.

General Obligation Bonds - During 2019, the City issued \$115,000 of general obligation bonds for the purpose of purchasing a state highway plow/mower. This bond will be retired through the General Fund using tax revenues.

General Obligation Bonds - During 2019, the City issued \$130,000 of general obligation bonds for the purpose of purchasing the parks and recreation bus garage. This bond will be retired through the General Fund using tax revenues.

General Obligation Bonds - During 2019, the City issued \$1,391,000 of general obligation bonds for the purpose of purchasing and improving buildings and vehicle acquisition. This bond will be retired through the General Fund using tax revenues.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Various Purpose Bonds maturing December 1, 2036 shall be subject to mandatory sinking fund redemption in part on December 1, 2034, December 1, 2035, and December 1, 2036 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2034	120,000
2035	125,000
2036	130,000

The Various Purpose Bonds maturing December 1, 2039 shall be subject to mandatory sinking fund redemption in part on December 1, 2037, December 1, 2038 and December 1, 2039 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2037	\$135,000
2038	140,000
2039	145,000

CITY OF CHILLICOTHE, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2019

Business-Type Activities Bonds and Other Long-Term Obligations

	Balance 1/1/ 2019	Additions	Deletions	Balance 12/31/2019	Amount Due Within One Year
Business-Type Activities:					
<i>General Obligation Refunding Bonds Payable:</i>					
\$1,670,000, 1.00% - 4.00%, 2013 - 2023	\$675,000	\$0	(\$130,000)	\$545,000	\$130,000
Issuance Premium on Bonds	12,412	0	(2,483)	9,929	0
<i>General Obligation Bonds Payable:</i>					
ARMC Water Project Bond, 1.50%	875,000	0	(435,000)	440,000	440,000
Issuance Premium on Bonds	16,559	0	(8,279)	8,280	0
Building Purchase Bond, 4.0%	0	764,000	0	764,000	24,000
Issuance Premium on Bonds	0	61,758	0	61,758	0
<i>Other Long-Term Obligations:</i>					
Compensated Absences	743,807	258,443	(243,495)	758,755	311,775
Capital Leases	0	6,046	(418)	5,628	1,079
<i>Net Pension Liability - OPERS:</i>					
Water	1,432,586	1,073,002	0	2,505,588	0
Sewer	1,175,307	793,369	0	1,968,676	0
Total Net Pension Liability - OPERS	2,607,893	1,866,371	0	4,474,264	0
<i>Net OPEB Liability - OPERS:</i>					
Water	975,818	204,439	0	1,180,257	0
Sewer	800,570	126,775	0	927,345	0
Total Net OPEB Liability - OPERS	1,776,388	331,214	0	2,107,602	0
Business-Type Activities					
Long-Term Obligations	\$6,707,059	\$3,287,832	(\$819,675)	\$9,175,216	\$906,854

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

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

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

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 Fund.

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

Debt service requirements are as follows:

For year ended December 31	G.O. Refunding Bonds		2019 G.O. Bonds		Police Cruiser/Squad Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$195,000	\$120,925	\$61,000	\$52,858	\$59,578	\$7,983
2021	200,000	115,563	64,000	53,200	59,578	5,988
2022	115,000	109,563	72,000	50,640	59,577	3,992
2023	120,000	106,113	75,000	47,760	59,378	1,996
2024	125,000	101,312	75,000	44,760	0	0
2025-2029	490,000	443,963	280,000	188,120	0	0
2030-2034	605,000	334,937	339,000	126,920	0	0
2035-2039	755,000	189,225	425,000	52,200	0	0
2040-2041	355,000	24,744	0	0	0	0
	<u>\$2,960,000</u>	<u>\$1,546,345</u>	<u>\$1,391,000</u>	<u>\$616,458</u>	<u>\$238,111</u>	<u>\$19,959</u>

For year ended December 31	Street Improvement Project G.O. Bonds		Squad/Leaf Blower Loan G.O. Bonds		7 Police Cruisers G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$290,000	\$41,256	\$53,603	\$1,182	\$59,934	\$1,589
2021	295,000	40,431	0	0	0	0
2022	305,000	39,531	0	0	0	0
2023	310,000	38,631	0	0	0	0
2024	315,000	37,431	0	0	0	0
2025-2026	660,000	70,662	0	0	0	0
	<u>\$2,175,000</u>	<u>\$267,942</u>	<u>\$53,603</u>	<u>\$1,182</u>	<u>\$59,934</u>	<u>\$1,589</u>

CITY OF CHILLICOTHE, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2019

For year ended December 31	Street Improvement Project G.O. Bonds		Street Sweeper G.O. Bonds		Garbage Truck G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$210,000	\$27,475	\$35,000	\$2,575	\$35,000	\$2,475
2021	210,000	23,275	35,000	1,875	35,000	1,875
2022	220,000	18,025	35,000	875	40,000	1,000
2023	225,000	12,525	0	0	0	0
2024	230,000	6,900	0	0	0	0
	<u>\$1,095,000</u>	<u>\$88,200</u>	<u>\$105,000</u>	<u>\$5,325</u>	<u>\$110,000</u>	<u>\$5,350</u>

For year ended December 31	Sewer G.O. Refunding Bonds		Water G.O. Bonds		2019 Water G.O. Bonds		2019 Sewer G.O. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$130,000	\$17,425	\$440,000	\$8,800	\$12,000	\$14,516	\$12,000	\$14,516
2021	135,000	13,850	0	0	13,000	14,800	13,000	14,800
2022	140,000	9,800	0	0	14,000	14,280	14,000	14,280
2023	140,000	5,600	0	0	15,000	13,720	15,000	13,720
2024	0	0	0	0	15,000	13,120	15,000	13,120
2025-2029	0	0	0	0	85,000	56,040	85,000	56,040
2030-2034	0	0	0	0	103,000	37,640	103,000	37,640
2035-2039	0	0	0	0	125,000	15,400	125,000	15,400
	<u>\$545,000</u>	<u>\$46,675</u>	<u>\$440,000</u>	<u>\$8,800</u>	<u>\$382,000</u>	<u>\$179,516</u>	<u>\$382,000</u>	<u>\$179,516</u>

NOTE 9 – 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, 2019, the hospital revenue refunding bonds aggregated principal amount payable was \$145,570,000.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 – OTHER LONG-TERM OBLIGATIONS

Changes in the other long-term obligations of the District during the 2019 fiscal year were as follows:

	Issue Date	Interest Rate	Principal Outstanding at December 31, 2018	Additions	Deductions	Principal Outstanding at December 31, 2019	Amount Due In One Year
<i>Governmental Activities:</i>							
<i>Lease - Purchase Agreement:</i>							
2019 Police Cruisers	2019	3.25%	\$0	\$106,430	\$0	\$106,430	\$25,040
Police Radios	2019	3.25%	0	238,080	0	238,080	56,014
CAD System	2019	3.40%	0	150,990	0	150,990	18,951
Total Governmental Activities Other Long-Term Obligations			\$0	\$495,500	\$0	\$495,500	\$100,005

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 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.

Principal and interest components of the schedules lease purchase agreement payments outstanding at December 31, 2019 are shown below.

	2019 Police Cruisers		Police Radios		CAD System	
For year ended December 31	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$25,040	\$3,872	\$56,014	\$8,662	\$18,951	\$5,747
2021	26,267	2,645	58,758	5,917	20,209	4,489
2022	27,121	1,791	60,668	4,007	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
2025-2026	0	0	0	0	46,987	2,410
	<u>\$106,430</u>	<u>\$9,218</u>	<u>\$238,080</u>	<u>\$20,622</u>	<u>\$150,990</u>	<u>\$21,897</u>

NOTE 11 - CAPITAL LEASES

The City has entered into various agreements to lease equipment. The leases meet the criteria of a capital lease as defined generally as one which transfers benefits and risks of ownership to the lessee. Lease payments are made in accordance with the amortization schedule. At the end of the lease the City has the option of purchasing the asset or trade-in the asset for credit on another purchase. New capital leases are reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balance for governmental funds as a functional expenditure and “inception of capital lease.” Capital lease payments are reflected as debt service expenditures in the General, Bus Transit, Street Construction Maintenance & Repair, and Parks and Recreation funds. These capital leased assets, consisting of equipment, have been capitalized in the amount of \$490,791 in the governmental funds, which represents the present value of the minimum lease payments at the time of acquisition. Principal payments in 2019 were \$92,147 in the governmental funds.

CITY OF CHILLICOTHE, OHIO
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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 2019 were \$418 in the Water Fund.

The City's future minimum lease payments and present value of net minimum lease payments required under these capital lease obligations as of December 31, 2019 are as follows:

Year Ended December 31,	Governmental Activities	Business Type Activities
		Water Fund
2020	\$105,816	\$1,439
2021	103,933	1,439
2022	19,959	1,439
2023	120	1,439
2024	0	839
Total Future Minimum Lease Payments	229,828	6,595
Less: Amount Representing Interest	(20,083)	(967)
Present Value of Net Minimum Lease	\$209,745	\$5,628

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not

CITY OF CHILLICOTHE, OHIO
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compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Statutory Maximum Contribution Rates	State and Local	
	2019	2018
Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %
Actual Contribution Rates		
Employer:		
Pension	14.0 %	14.0 %
Post-employment Health Care Benefits	0.0 %	0.0 %
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,205,016 for 2019. Of this amount, \$18,345 is reported as an intergovernmental payable.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

CITY OF CHILLICOTHE, OHIO
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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.

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,394,542 for 2019 of this amount, \$23,566 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0583450%	0.2778670%	
Prior Measurement Date	<u>0.0571490%</u>	<u>0.2752020%</u>	
Change in Proportionate Share	<u>0.0011960%</u>	<u>0.0026650%</u>	
Proportionate Share of the Net Pension Liability	\$15,979,513	\$22,681,290	\$38,660,803
Pension Expense	\$2,038,155	\$3,104,849	\$5,143,004

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$739	\$931,881	\$932,620
Net difference between projected and actual earnings on pension plan investments	2,168,871	2,794,311	4,963,182
Changes of assumptions	1,391,050	601,311	1,992,361
Changes in proportion and differences between City contributions and proportionate share of contributions	249,497	563,459	812,956
City contributions subsequent to the measurement date	<u>1,205,016</u>	<u>1,394,542</u>	<u>2,599,558</u>
Total Deferred Outflows of Resources	<u>\$5,015,173</u>	<u>\$6,285,504</u>	<u>\$11,300,677</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$209,819	\$21,181	\$231,000
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>20,353</u>	<u>235,702</u>	<u>256,055</u>
Total Deferred Inflows of Resources	<u>\$230,172</u>	<u>\$256,883</u>	<u>\$487,055</u>

\$2,599,558 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$1,580,616	\$1,396,974	\$2,977,590
2021	789,478	785,942	1,575,420
2022	201,208	988,901	1,190,109
2023	1,008,683	1,368,910	2,377,593
2024	0	93,352	93,352
Thereafter	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$3,579,985</u>	<u>\$4,634,079</u>	<u>\$8,214,064</u>

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019.

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
<i>COLA or Ad Hoc COLA:</i>	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

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 statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 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 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
City's proportionate share of the net pension liability	\$23,606,387	\$15,979,513	\$9,641,511

Changes since the prior Measurement Date on to Report Date

OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal

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rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

	January 1, 2018
Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2018, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2018, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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

The most recent experience study was completed as of December 31, 2016. The actuarial assumptions used in the valuation are based on the results of a five-year experience review covering the period 2012-2016. The experience study was performed by OP&F's prior actuary and the assumptions were effective January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2018 are summarized below:

OP&F Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Real Estate	12.00	6.10
Total	120.00 %	

Note: Assumptions are geometric

* levered 2x

OP&F's assumed long-term discount rate of 8.00 percent is supported by the 30-year expected rate of return, as calculated by their investment advisor.

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

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 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	\$29,812,992	\$22,681,290	\$16,721,722

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NOTE 13 –DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care

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coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. OP&F has contacted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of

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such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required OPEB contribution to OP&F was \$32,833 for 2019. Of this amount, \$0 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion Share of the Net OPEB Liability:			
Current Measurement Date	0.0577340%	0.2778670%	
Prior Measurement Date	0.0561900%	0.2752020%	
Change in Proportionate Share	<u>0.0015440%</u>	<u>0.0026650%</u>	
Proportionate Share of the Net OPEB Liability	\$7,527,151	\$2,530,406	\$10,057,557
OPEB Expense	\$749,868	(\$12,394,281)	(\$11,644,413)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,549	\$0	\$2,549
Net difference between projected and actual earnings on pension plan investments	345,076	85,657	430,733
Changes of Assumptions	242,684	1,311,640	1,554,324
Changes in proportion and differences between City contributions and proportionate share of contributions	150,237	374,227	524,464
City contributions subsequent to the measurement date	0	32,833	32,833
Total Deferred Outflows of Resources	<u>\$740,546</u>	<u>\$1,804,357</u>	<u>\$2,544,903</u>

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$20,424	\$67,797	\$88,221
Changes of assumptions	0	700,536	700,536
Changes in proportion and differences between City contributions and proportionate share of contributions	24,282	0	24,282
Total Deferred Inflows of Resources	<u>\$44,706</u>	<u>\$768,333</u>	<u>\$813,039</u>

\$32,833 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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	OPERS	OP&F	Total
Year Ending December 31:			
2020	\$337,548	\$175,668	\$513,216
2021	125,927	175,668	301,595
2022	58,528	175,669	234,197
2023	173,837	201,576	375,413
2024	0	160,731	160,731
Thereafter	0	113,879	113,879
Total	<u>\$695,840</u>	<u>\$1,003,191</u>	<u>\$1,699,031</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. 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
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.96 percent
Prior Measurement Date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and healthcare related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

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

Asset Class	Target Allocation	Weighted Average Long Term Expected Real Rate of Return
Fixed Income	34.00 %	2.42 %
Domestic Equity	21.00	6.21
Real Estate Investment Trust	6.00	5.89
International Equities	22.00	7.83
Other Investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$9,630,031	\$7,527,151	\$5,854,805

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$7,235,225	\$7,527,151	\$7,863,371

Changes since prior Measurement Date and to Report Date

OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discounting the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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

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about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single Discount Rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Stipend Increase Rate	The stipend is not assured to increase over the projection period.

Healthy Morality rates were based on the RP-2014 Total Employee and Healthy Morality Tables rolled back to 2006, adjusted with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. Disability Morality rates were based on RP-2014 Disability Morality Tables rolled back to 2006, adjusted and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Disabled 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.

CITY OF CHILLICOTHE, OHIO
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<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds *	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 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 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 4.66 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 (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$3,082,725	\$2,530,406	\$2,066,781

Changes since prior measurement date and to report date

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%

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.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - PROPERTY TAXES

Property taxes include amounts levied against real and public utility property. The assessed value by property classification upon which the 2019 tax levy was based follows:

Property Tax Classification	Assessed Value
Real Property	\$397,997,130
Public Utility Property	36,030,330
Total	<u>\$434,027,460</u>

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

In 2019, real property taxes were levied on January 1, 2019, on assessed values as of January 1, 2018, the lien date. Real estate taxes were due and payable on February 10 and July 7, 2019.

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, 2019.

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

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

A summary of the taxes foregone on the City's abatement program for the year ended December 31, 2019 follows:

Program	Tax Abated	Amount
Job Creation Tax Credit Program	Income Tax	\$11,745

NOTE 17 - MUNICIPAL INCOME TAXES

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

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

In 2019, these municipal income taxes generated a combined total of \$16,170,025 in local tax revenue.

NOTE 18 - INTERFUND ACTIVITY

As of December 31, 2019, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
General Fund	\$15,625	\$125,000
Street Construction	0	6,250
Bus Transit Fund	0	3,125
<i>Nonmajor Governmental Funds:</i>		
Police Pension	65,000	0
Fire Pension	60,000	0
Safety Levy Capital	0	3,125
Parks and Recreation Capital	0	3,125
Total Nonmajor Governmental Funds	125,000	6,250
<i>Total</i>	<u>\$140,625</u>	<u>\$140,625</u>

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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All balances are scheduled to be collected in the subsequent year. All balances resulted from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of interfund transfers for 2019 are as follows:

Transfers In						
		Stree				
Transfers Out	General	Construction Maintenance & Repair	Nonmajor Special Revenue	Nonmajor Debt Service	Sewer	Total
General	\$0	\$3,283	\$1,375,875	\$23,908	\$30,000	\$1,433,066
Street Construction Maintenance & Repair	75,591	0	0	0	0	75,591
Bus Transit	53	0	0	0	0	53
Nonmajor Special Revenue Funds	375,632	0	0	0	0	375,632
Nonmajor Capital Projects Funds	263,908	0	0	0	0	263,908
Water	669	0	0	0	0	669
Sewer	682	0	0	0	0	682
Total	<u>\$716,535</u>	<u>\$3,283</u>	<u>\$1,375,875</u>	<u>\$23,908</u>	<u>\$30,000</u>	<u>\$2,149,601</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 2019, the City made transfers of \$1,375,875 from the General Fund to various Nonmajor Special Revenue Funds, Nonmajor Debt Service Fund 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.

CITY OF CHILLICOTHE, OHIO
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Those costs are explained as follows:

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

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

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

NOTE 20 - LANDFILL CLOSURE AND POST CLOSURE CARE

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

In 2019, the City incurred \$35,305 in post closure care costs and decreased its postclosure care liability by \$22,514, which is a change in estimate. To this date, the City has incurred approximately \$2,633,465 in closure and postclosure care costs. These costs have been incurred by the Landfill Closure Fund.

The City has accrued a liability for landfill post-closure care costs of \$49,832. The liability is based on an average of cumulative postclosure care costs to this date projected over the next year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Financial assurance to fund this liability is provided through the General Fund where transfers will be made over the next year.

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 21 – FUND CASH BALANCES

As of December 31, 2019 fund balances are composed of the following:

	General Fund	Street Fund	Bus Transit Fund	All Other Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>					
Prepaid Items	\$319,397	\$11,263	\$116,909	\$39,344	\$486,913
Materials and Supplies	43,110	17,750	25,567	0	86,427
Unclaimed Monies	110,985	0	0	0	110,985
Carlisle Hill Trust	0	0	0	1,000	1,000
<i>Total Nonspendable</i>	<u>473,492</u>	<u>29,013</u>	<u>142,476</u>	<u>40,344</u>	<u>685,325</u>
<i>Restricted:</i>					
Bus Transit	0	0	388,160	0	388,160
Street Construction	0	1,962,052	0	0	1,962,052
State Highway	0	0	0	411,848	411,848
Parks & Recreation	0	0	0	203,280	203,280
HUD	0	0	0	13,430	13,430
State Grants	0	0	0	97,734	97,734
Law Enforcement	0	0	0	43,477	43,477
Indigent Drivers	0	0	0	270,621	270,621
OMVI	0	0	0	22,847	22,847
Mandatory Drug Fines	0	0	0	7,601	7,601
Parking	0	0	0	18,722	18,722
Police Pension	0	0	0	2,342	2,342
Fire Pension	0	0	0	1,501	1,501
Bond Retirement	0	0	0	232,642	232,642
Capital Improvement	0	0	0	32,000	32,000
Safety Levy Capital	0	0	0	573,728	573,728
Parks & Rec Capital	0	0	0	377,996	377,996
Carlisle Hill Trust	0	0	0	2,355	2,355
<i>Total Restricted</i>	<u>0</u>	<u>1,962,052</u>	<u>388,160</u>	<u>2,312,124</u>	<u>4,662,336</u>

(Continued)

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Street Fund	Bus Transit Fund	All Other Governmental Funds	Total Governmental Funds
<i>Committed:</i>					
Floodwall	43,986	0	0	0	43,986
Income Tax Refunds	77,392	0	0	0	77,392
Streetscape	24,337	0	0	0	24,337
<i>Total Committed</i>	145,715	0	0	0	145,715
<i>Assigned:</i>					
Landfill Closure	131,006	0	0	0	131,006
Cablevision	0	0	0	5,765	5,765
<i>Total Assigned</i>	131,006	0	0	5,765	136,771
<i>Unassigned (Deficit)</i>	4,335,761	0	0	0	4,335,761
Total Balances	\$5,085,974	\$1,991,065	\$530,636	\$2,358,233	\$9,965,908

NOTE 22 – ENCUMBRANCE COMMITMENTS

As of December 31, 2019, the City had encumbrance commitments in the Governmental Funds as follows:

Major Funds

General	\$114,492
Street Construction Maintenance and Repair	19,454
Bus Transit	5,873

Nonmajor Funds

Street Project	259,871
Floodwall	4,000
Safety Levy Capital	17,744
Streetscape	94,855
Park & Recreation Capital	355
Total Nonmajor Funds	376,825
Total Encumbrances	\$516,644

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 \$75,588,384. Other property insurance includes \$348,250 unscheduled and \$2,863,341 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$75,588,384. Insurance deductibles on any of the above coverage do not exceed \$10,000.

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

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

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

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

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

NOTE 24 - CONTINGENCIES

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

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

CITY OF CHILLICOTHE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 25 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

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

	2019	2018	2017	2016
<i><u>Pension (1)</u></i>				
City's Proportion of the Net Pension Liability	0.058345%	0.057149%	0.056720%	0.057188%
City's Proportionate Share of the Net Pension Liability	\$15,979,513	\$8,965,570	\$12,880,147	\$9,905,683
City Covered Payroll	\$8,464,500	\$7,983,600	\$7,420,000	\$7,379,121
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.78%	112.30%	173.59%	134.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%
<i><u>OPEB (2)</u></i>				
City's Proportion of the Net OPEB Liability	0.057734%	0.056190%	0.0558135%	N/A
City's Proportionate Share of the Net OPEB Liability	\$7,527,151	\$6,101,820	\$5,637,353	N/A
City Covered Payroll	\$8,464,500	\$7,983,600	\$7,420,000	N/A
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	88.93%	76.43%	75.98%	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%	N/A

(1) Information prior to 2014 is not available.

(2) Information prior to 2017 is not available.

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

2015	2014
0.055014%	0.055014%
\$6,635,303	\$6,485,434
\$7,645,907	\$8,434,393
86.78%	76.89%
86.45%	86.36%
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

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

	2019	2018	2017	2016
<u><i>OP&F - Police</i></u>				
City's Proportion of the Net Pension Liability	0.1248110%	0.1232690%	0.1203590%	0.1160740%
City's Proportionate Share of the Net Pension Liability	\$10,187,876	\$7,565,604	\$7,623,417	\$7,467,091
City Covered Payroll	\$3,130,103	\$2,994,047	\$2,783,882	\$2,544,268
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	325.48%	252.69%	273.84%	293.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%
<u><i>OP&F - Fire</i></u>				
City's Proportion of the Net Pension Liability	0.1530560%	0.1519330%	0.1476240%	0.1448150%
City's Proportionate Share of the Net Pension Liability	\$12,493,414	\$9,324,792	\$9,350,346	\$9,316,063
City Covered Payroll	\$3,124,950	\$2,997,146	\$2,763,179	\$2,583,332
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	399.80%	311.12%	338.39%	360.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

(1) Information prior to 2014 is not available.

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

2015	2014
0.1170453%	0.1170453%
\$6,063,435	\$5,700,473
\$2,454,862	\$2,693,303
247.00%	211.65%
72.20%	73.00%
0.1567050%	0.1567050%
\$8,117,972	\$7,632,025
\$2,511,146	\$2,620,016
323.28%	291.30%
72.20%	73.00%

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

	2019	2018	2017
<u><i>OP&F - Police</i></u>			
City's Proportion of the Net OPEB Liability	0.1248110%	0.1232690%	0.1203590%
City's Proportionate Share of the Net OPEB Liability	\$1,136,596	\$6,984,277	\$5,713,171
City Covered Payroll	\$3,130,103	\$2,994,047	\$2,783,882
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.31%	233.27%	205.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	14.13%	14.13%	15.96%
<u><i>OP&F - Fire</i></u>			
City's Proportion of the Net OPEB Liability	0.1530560%	0.1519330%	0.1476240%
City's Proportionate Share of the Net OPEB Liability	\$1,393,810	\$8,608,294	\$7,007,379
City Covered Payroll	\$3,124,950	\$2,997,146	\$2,763,179
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	44.60%	287.22%	253.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	14.13%	15.96%

(1) Information prior to 2017 is not available.

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i><u>Pension (1)</u></i>				
Contractually Required Contribution	\$1,205,016	\$1,185,030	\$1,037,868	\$890,400
Contributions in Relation to the Contractually Required Contribution	<u>(1,205,016)</u>	<u>(1,185,030)</u>	<u>(1,037,868)</u>	<u>(890,400)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,607,257	\$8,464,500	\$7,983,600	\$7,420,000
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%
<i><u>OPEB (2)</u></i>				
Contractually Required Contribution	\$0	\$0	\$79,836	\$148,400
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(79,836)</u>	<u>(148,400)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,607,257	\$8,464,500	\$7,983,600	\$7,420,000
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.00%	2.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$885,495	\$917,509	\$1,096,471	\$837,949	\$726,806	\$685,089
<u>(885,495)</u>	<u>(917,509)</u>	<u>(1,096,471)</u>	<u>(837,949)</u>	<u>(726,806)</u>	<u>(685,089)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,379,121	\$7,645,907	\$8,434,393	\$8,379,486	\$7,268,064	\$7,612,100
12.00%	12.00%	13.00%	10.00%	10.00%	9.00%
\$147,582	\$152,918	\$84,344	\$335,179	\$290,723	\$380,605
<u>(147,582)</u>	<u>(152,918)</u>	<u>(84,344)</u>	<u>(335,179)</u>	<u>(290,723)</u>	<u>(380,605)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,379,121	\$7,645,907	\$8,434,393	\$8,379,486	\$7,268,064	\$7,612,100
2.00%	2.00%	1.00%	4.00%	4.00%	5.00%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i><u>OP&F - Police</u></i>				
Contractually Required Contribution	\$627,468	\$594,719	\$568,869	\$528,938
Contributions in Relation to the Contractually Required Contribution	<u>(627,468)</u>	<u>(594,719)</u>	<u>(568,869)</u>	<u>(528,938)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$3,302,462	\$3,130,103	\$2,994,047	\$2,783,882
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%
<i><u>OP&F - Fire</u></i>				
Contractually Required Contribution	\$767,074	\$734,363	\$704,329	\$649,347
Contributions in Relation to the Contractually Required Contribution	<u>(767,074)</u>	<u>(734,363)</u>	<u>(704,329)</u>	<u>(649,347)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$3,264,146	\$3,124,950	\$2,997,146	\$2,763,179
Contributions as a Percentage of Covered Payroll	23.50%	23.50%	23.50%	23.50%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$483,411	\$466,424	\$448,435	\$349,232	\$352,043	\$341,738
<u>(483,411)</u>	<u>(466,424)</u>	<u>(448,435)</u>	<u>(349,232)</u>	<u>(352,043)</u>	<u>(341,738)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$2,544,268	\$2,454,862	\$2,693,303	\$2,739,072	\$2,761,118	\$2,680,297
19.00%	19.00%	15.88%	12.75%	12.75%	12.75%
\$607,083	\$590,119	\$554,133	\$459,633	\$463,333	\$449,770
<u>(607,083)</u>	<u>(590,119)</u>	<u>(554,133)</u>	<u>(459,633)</u>	<u>(463,333)</u>	<u>(449,770)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$2,583,332	\$2,511,146	\$2,620,016	\$2,664,539	\$2,685,988	\$2,607,363
23.50%	23.50%	20.38%	17.25%	17.25%	17.25%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u><i>OP&F - Police</i></u>				
Contractually Required Contribution	\$16,512	\$15,651	\$14,970	\$13,919
Contributions in Relation to the Contractually Required Contribution	<u>(16,512)</u>	<u>(15,651)</u>	<u>(14,970)</u>	<u>(13,919)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,302,462	\$3,130,103	\$2,994,047	\$2,783,882
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%
<u><i>OP&F - Fire</i></u>				
Contractually Required Contribution	\$16,321	\$15,625	\$14,986	\$13,816
Contributions in Relation to the Contractually Required Contribution	<u>(16,321)</u>	<u>(15,625)</u>	<u>(14,986)</u>	<u>(13,816)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,264,146	\$3,124,950	\$2,997,146	\$2,763,179
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$12,721	\$12,274	\$97,498	\$184,887	\$186,375	\$180,920
<u>(12,721)</u>	<u>(12,274)</u>	<u>(97,498)</u>	<u>(184,887)</u>	<u>(186,375)</u>	<u>(180,920)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,544,268	\$2,454,862	\$2,693,303	\$2,739,072	\$2,761,118	\$2,680,297
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%
\$12,917	\$12,556	\$94,845	\$179,856	\$181,304	\$175,997
<u>(12,917)</u>	<u>(12,556)</u>	<u>(94,845)</u>	<u>(179,856)</u>	<u>(181,304)</u>	<u>(175,997)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,583,332	\$2,511,146	\$2,620,016	\$2,664,539	\$2,685,988	\$2,607,363
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%

CITY OF CHILLICOTHE, OHIO
Notes to the Supplementary Information
For the Fiscal Year Ended December 31, 2019

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

Pension

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in Assumptions:

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

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

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

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

2019: The investment return assumption reducing it from 7.50% to 7.20%.

Other Postemployment Benefits

Changes in benefit terms: For 2018-2019, there were no changes in benefit terms.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

For 2019, the single discount rate changed from 3.85% to 3.96% and investment return assumption reducing it from 6.50% to 6.0%.

NOTE 2 – OHIO POLICE AND FIRE PENSION FUND

Pension

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in Assumptions:

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

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

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

CITY OF CHILLICOTHE, OHIO
Notes to the Supplementary Information
For the Fiscal Year Ended December 31, 2019

NOTE 2 - OHIO POLICE AND FIRE PENSION FUND - Continued

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Other Postemployment Benefits

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

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

Changes in assumptions: For 2019, the single discount rate changed from 3.24% to 4.66%.

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

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

State Highway Fund

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

Parks and Recreation Fund

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

HUD Fund

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

Grants Fund

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

Cablevision Fund

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

Law Enforcement Fund

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

Indigent Drivers Alcohol Treatment Fund

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

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

OMVI Enforcement & Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

Police Pension Fund

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

Fire Pension Fund

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

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR BOND RETIREMENT FUND

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Improvement Fund

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

Issue II Fund

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

Safety Levy Capital Fund

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

Parks and Recreation Capital Fund

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

**CITY OF CHILLICOTHE, OHIO
GOVERNMENTAL FUNDS**

NONMAJOR PERMANENT FUND

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

Carlisle Hill Fund

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

FUNDS REPORTED SEPARATELY FOR BUDGETARY PURPOSES

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

Floodwall Fund

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

Income Tax Fund

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

Landfill Closure

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

Streetscape

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

Unclaimed Monies

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

City of Chillicothe, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	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	\$1,053,130	\$232,642	\$923,317	\$2,355	\$2,211,444
Cash and Cash Equivalents in Segregated Accounts	1,002	0	0	0	1,002
Investments in City Treasury	0	0	0	1,000	1,000
Interfund Receivable	125,000	0	0	0	125,000
Intergovernmental Receivable	110,308	0	0	0	110,308
Income Taxes Receivable	83,742	0	139,570	0	223,312
Property Taxes Receivable	259,630	0	0	0	259,630
Prepaid Items	13,906	0	25,438	0	39,344
<i>Total Assets</i>	<u>\$1,646,718</u>	<u>\$232,642</u>	<u>\$1,088,325</u>	<u>\$3,355</u>	<u>\$2,971,040</u>
Liabilities:					
Accounts Payable	\$20,755	\$0	\$21,526	\$0	\$42,281
Accrued Wages and Benefits	4,912	0	0	0	4,912
Intergovernmental Payable	131,958	0	0	0	131,958
Interfund Payable	0	0	6,250	0	6,250
<i>Total Liabilities</i>	<u>157,625</u>	<u>0</u>	<u>27,776</u>	<u>0</u>	<u>185,401</u>
Deferred Inflows of Resources	<u>376,019</u>	<u>0</u>	<u>51,387</u>	<u>0</u>	<u>427,406</u>
Fund Balances:					
Nonspendable	13,906	0	25,438	1,000	40,344
Restricted	1,093,403	232,642	983,724	2,355	2,312,124
Assigned	5,765	0	0	0	5,765
<i>Total Fund Balances</i>	<u>1,113,074</u>	<u>232,642</u>	<u>1,009,162</u>	<u>3,355</u>	<u>2,358,233</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$1,646,718</u>	<u>\$232,642</u>	<u>\$1,088,325</u>	<u>\$3,355</u>	<u>\$2,971,040</u>

City of Chillicothe, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$234,682	\$0	\$0	\$0	\$234,682
Income Taxes	607,580	0	1,012,623	0	1,620,203
Charges for Services	105,778	0	0	0	105,778
Fines, Licenses, and Permits	43,785	0	0	0	43,785
Intergovernmental	804,965	0	229,963	0	1,034,928
Interest	18	0	28	15	61
Contributions and Donations	1,800	0	83,569	0	85,369
Other	68,764	7,966	8,848	0	85,578
<i>Total Revenues</i>	<u>1,867,372</u>	<u>7,966</u>	<u>1,335,031</u>	<u>15</u>	<u>3,210,384</u>
Expenditures:					
<i>Current:</i>					
<i>Security of Persons and Property:</i>					
Police	696,098	0	0	0	696,098
Fire	788,482	0	0	0	788,482
Transportation	291,625	0	0	0	291,625
Leisure Time Services	821,085	0	0	0	821,085
Community and Economic Development	435,000	0	0	0	435,000
Capital Outlay	0	0	963,554	0	963,554
<i>Debt Service:</i>					
Principal Retirements	31,123	0	291,615	0	322,738
Interest and Fiscal Charges	6,694	6,348	21,049	0	34,091
Issuance Costs	0	16,031	0	0	16,031
<i>Total Expenditures</i>	<u>3,070,107</u>	<u>22,379</u>	<u>1,276,218</u>	<u>0</u>	<u>4,368,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,202,735)</u>	<u>(14,413)</u>	<u>58,813</u>	<u>15</u>	<u>(1,158,320)</u>
Other Financing Sources and Uses:					
Issuance of General Obligation Bonds	95,000	0	512,000	0	607,000
Premium on Debt Issued	0	112,440	0	0	112,440
Transfers In	1,375,875	23,908	0	0	1,399,783
Transfers Out	(375,632)	0	(263,908)	0	(639,540)
<i>Total Other Financing Sources and Uses</i>	<u>1,095,243</u>	<u>136,348</u>	<u>248,092</u>	<u>0</u>	<u>1,479,683</u>
<i>Net Change in Fund Balance</i>	<u>(107,492)</u>	<u>121,935</u>	<u>306,905</u>	<u>15</u>	<u>321,363</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,220,566</u>	<u>110,707</u>	<u>702,257</u>	<u>3,340</u>	<u>2,036,870</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,113,074</u></u>	<u><u>\$232,642</u></u>	<u><u>\$1,009,162</u></u>	<u><u>\$3,355</u></u>	<u><u>\$2,358,233</u></u>

City of Chillicothe, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	State Highway	Parks & Recreation	HUD	State Grants	Cablevision
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$393,800	\$168,278	\$23,430	\$91,031	\$5,765
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	54,144	0	0	41,400	0
Income Taxes Receivable	0	83,742	0	0	0
Property Taxes Receivable	0	0	0	0	0
Prepaid Items	0	11,317	0	0	0
<i>Total Assets</i>	<u>\$447,944</u>	<u>\$263,337</u>	<u>\$23,430</u>	<u>\$132,431</u>	<u>\$5,765</u>
Liabilities:					
Accounts Payable	\$0	\$10,755	\$10,000	\$0	\$0
Accrued Wages and Benefits	0	3,636	0	0	0
Intergovernmental Payable	0	3,517	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>17,908</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources	<u>36,096</u>	<u>30,832</u>	<u>0</u>	<u>34,697</u>	<u>0</u>
Fund Balances:					
Nonspendable	0	11,317	0	0	0
Restricted	411,848	203,280	13,430	97,734	0
Assigned	0	0	0	0	5,765
<i>Total Fund Balances</i>	<u>411,848</u>	<u>214,597</u>	<u>13,430</u>	<u>97,734</u>	<u>5,765</u>
<i>Total Liabilities, Deferred Inflows and Fund Balances</i>	<u>\$447,944</u>	<u>\$263,337</u>	<u>\$23,430</u>	<u>\$132,431</u>	<u>\$5,765</u>

continued

Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$43,477	\$269,766	\$22,760	\$7,541	\$21,282	\$5,000	\$1,000	\$1,053,130
0	855	87	60	0	0	0	1,002
0	0	0	0	0	65,000	60,000	125,000
0	0	0	0	0	7,382	7,382	110,308
0	0	0	0	0	0	0	83,742
0	0	0	0	0	129,815	129,815	259,630
785	0	0	0	1,804	0	0	13,906
<u>\$44,262</u>	<u>\$270,621</u>	<u>\$22,847</u>	<u>\$7,601</u>	<u>\$23,086</u>	<u>\$207,197</u>	<u>\$198,197</u>	<u>\$1,646,718</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,755
0	0	0	0	1,276	0	0	4,912
0	0	0	0	1,284	67,658	59,499	131,958
0	0	0	0	2,560	67,658	59,499	157,625
0	0	0	0	0	137,197	137,197	376,019
785	0	0	0	1,804	0	0	13,906
43,477	270,621	22,847	7,601	18,722	2,342	1,501	1,093,403
0	0	0	0	0	0	0	5,765
<u>44,262</u>	<u>270,621</u>	<u>22,847</u>	<u>7,601</u>	<u>20,526</u>	<u>2,342</u>	<u>1,501</u>	<u>1,113,074</u>
<u>\$44,262</u>	<u>\$270,621</u>	<u>\$22,847</u>	<u>\$7,601</u>	<u>\$23,086</u>	<u>\$207,197</u>	<u>\$198,197</u>	<u>\$1,646,718</u>

City of Chillicothe, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	State Highway	Parks & Recreation	HUD	State Grants	Cablevision
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	607,580	0	0	0
Charges for Services	0	94,944	0	0	0
Fines, Licenses, and Permits	0	0	0	0	0
Intergovernmental	91,922	0	363,546	320,205	0
Interest	0	17	1	0	0
Contributions and Donations	0	1,800	0	0	0
Other	0	25,897	4,943	0	0
<i>Total Revenues</i>	<u>91,922</u>	<u>730,238</u>	<u>368,490</u>	<u>320,205</u>	<u>0</u>
Expenditures:					
<i>Current:</i>					
<i>Security of Persons and Property:</i>					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Transportation	75,000	0	0	0	0
Leisure Time Services	0	821,085	0	0	0
Community and Economic Development	0	0	435,000	0	0
<i>Debt Service:</i>					
Principal Retirements	0	1,123	0	0	0
Interest and Fiscal Charges	0	294	0	0	0
<i>Total Expenditures</i>	<u>75,000</u>	<u>822,502</u>	<u>435,000</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>16,922</u>	<u>(92,264)</u>	<u>(66,510)</u>	<u>320,205</u>	<u>0</u>
Other Financing Sources and Uses					
Issuance of General Obligation Bonds	95,000	0	0	0	0
Transfers In	0	5,642	0	0	0
Transfers Out	0	(9,800)	0	(365,832)	0
<i>Total Other Financing Sources and Uses</i>	<u>95,000</u>	<u>(4,158)</u>	<u>0</u>	<u>(365,832)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>111,922</u>	<u>(96,422)</u>	<u>(66,510)</u>	<u>(45,627)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>299,926</u>	<u>311,019</u>	<u>79,940</u>	<u>143,361</u>	<u>5,765</u>
<i>Fund Balance at End of Year</i>	<u><u>\$411,848</u></u>	<u><u>\$214,597</u></u>	<u><u>\$13,430</u></u>	<u><u>\$97,734</u></u>	<u><u>\$5,765</u></u>

continued

Law Enforcement	Indigent Driver's Alcohol Treatment	OMVI Enforcement & Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$117,341	\$117,341	\$234,682
0	0	0	0	0	0	0	607,580
0	0	0	0	10,834	0	0	105,778
11,415	21,898	1,790	4,712	3,970	0	0	43,785
1,148	0	0	0	0	14,072	14,072	804,965
0	0	0	0	0	0	0	18
0	0	0	0	0	0	0	1,800
0	0	0	0	37,924	0	0	68,764
12,563	21,898	1,790	4,712	52,728	131,413	131,413	1,867,372
25,403	3,924	0	0	0	666,771	0	696,098
0	0	0	0	0	0	788,482	788,482
0	0	0	0	216,625	0	0	291,625
0	0	0	0	0	0	0	821,085
0	0	0	0	0	0	0	435,000
0	0	0	0	0	6,780	23,220	31,123
0	0	0	0	0	1,446	4,954	6,694
25,403	3,924	0	0	216,625	674,997	816,656	3,070,107
(12,840)	17,974	1,790	4,712	(163,897)	(543,584)	(685,243)	(1,202,735)
0	0	0	0	0	0	0	95,000
0	0	0	0	149,000	540,453	680,780	1,375,875
0	0	0	0	0	0	0	(375,632)
0	0	0	0	149,000	540,453	680,780	1,095,243
(12,840)	17,974	1,790	4,712	(14,897)	(3,131)	(4,463)	(107,492)
57,102	252,647	21,057	2,889	35,423	5,473	5,964	1,220,566
\$44,262	\$270,621	\$22,847	\$7,601	\$20,526	\$2,342	\$1,501	\$1,113,074

City of Chillicothe, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	Capital Improvement	Issue II	Safety Levy Capital	Parks & Recreation Capital	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$32,000	\$0	\$516,803	\$374,514	\$923,317
Income Taxes Receivable	0	0	111,656	27,914	139,570
Prepaid Items	0	0	25,438	0	25,438
<i>Total Assets</i>	<u>\$32,000</u>	<u>\$0</u>	<u>\$653,897</u>	<u>\$402,428</u>	<u>\$1,088,325</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$10,496	\$11,030	\$21,526
Interfund Payable	0	0	3,125	3,125	6,250
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>13,621</u>	<u>14,155</u>	<u>27,776</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>41,110</u>	<u>10,277</u>	<u>51,387</u>
Fund Balances:					
Nonspendable	0	0	25,438	0	25,438
Restricted	32,000	0	573,728	377,996	983,724
<i>Total Fund Balances</i>	<u>32,000</u>	<u>0</u>	<u>599,166</u>	<u>377,996</u>	<u>1,009,162</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$32,000</u>	<u>\$0</u>	<u>\$653,897</u>	<u>\$402,428</u>	<u>\$1,088,325</u>

City of Chillicothe, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	Capital Improvement	Issue II	Safety Levy Capital	Parks & Recreation Capital	Total Nonmajor Capital Projects Funds
Revenues:					
Income Taxes	\$0	\$0	\$810,101	\$202,522	\$1,012,623
Intergovernmental	0	207,007	22,956	0	229,963
Interest	0	0	22	6	28
Contributions and Donations	0	0	0	83,569	83,569
Other	0	0	0	8,848	8,848
<i>Total Revenues</i>	<u>0</u>	<u>207,007</u>	<u>833,079</u>	<u>294,945</u>	<u>1,335,031</u>
Expenditures:					
Capital Outlay	0	207,007	358,507	398,040	963,554
<i>Debt Service:</i>					
Principal Retirements	0	0	291,615	0	291,615
Interest and Fiscal Charges	0	0	21,049	0	21,049
<i>Total Expenditures</i>	<u>0</u>	<u>207,007</u>	<u>671,171</u>	<u>398,040</u>	<u>1,276,218</u>
<i>Excess of Revenues Under Expenditures</i>	<u>0</u>	<u>0</u>	<u>161,908</u>	<u>(103,095)</u>	<u>58,813</u>
Other Financing Sources and Uses:					
Issuance of General Obligation Bonds	0	0	0	512,000	512,000
Transfers Out	0	0	(46,408)	(217,500)	(263,908)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>(46,408)</u>	<u>294,500</u>	<u>248,092</u>
<i>Net Change in Fund Balance</i>	0	0	115,500	191,405	306,905
<i>Fund Balance at Beginning of Year</i>	<u>32,000</u>	<u>0</u>	<u>483,666</u>	<u>186,591</u>	<u>702,257</u>
<i>Fund Balance at End of Year</i>	<u>\$32,000</u>	<u>\$0</u>	<u>\$599,166</u>	<u>\$377,996</u>	<u>\$1,009,162</u>

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Taxes	\$12,615,483	\$13,146,670	\$13,196,543	\$49,873
Charges for Services	3,778,653	3,819,111	3,812,612	(6,499)
Fines, Licenses and Permits	1,376,375	1,216,005	1,216,465	460
Intergovernmental	967,745	1,245,927	1,240,573	(5,354)
Special Assessments	6,000	27,508	27,508	0
Interest	152,000	212,773	226,633	13,860
Other	756,668	848,365	869,577	21,212
Total Revenue	19,652,924	20,516,359	20,589,911	73,552
Expenditures				
<i>Current:</i>				
General Government				
Mayor				
Personal Services	285,380	259,592	259,589	3
Fringe Benefits	181,821	172,442	172,442	0
Travel Transportation	0	4,018	3,841	177
Materials and Supplies	28,420	30,847	28,997	1,850
Contractual Services	5,100	4,905	4,880	25
Capital Outlay	0	3,671	3,626	45
Other	72,219	76,970	74,384	2,586
Total Mayor	572,940	552,445	547,759	4,686
City Council				
Personal Services	62,569	62,565	62,565	0
Fringe Benefits	242,373	231,724	231,724	0
Travel Transportation	250	250	0	250
Materials and Supplies	0	3,905	155	3,750
Capital Outlay	6,000	6,000	2,044	3,956
Other	250	250	0	250
Total City Council	311,442	304,694	296,488	8,206
Treasurer				
Personal Services	9,230	9,230	9,230	0
Fringe Benefits	35,401	35,401	35,181	220
Contractual Services	25,800	25,800	25,800	0
Total Treasurer	70,431	70,431	70,211	220

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax Department				
Personal Services	145,117	155,745	155,745	0
Fringe Benefits	91,189	104,124	104,124	0
Materials and Supplies	10,100	8,587	8,053	534
Contractual Services	6,265	6,363	5,928	435
Travel	2,000	399	399	0
Capital Outlay	1,000	1,000	0	1,000
Other	2,075	270	195	75
Total Income Tax Department	257,746	276,488	274,444	2,044
Land and Buildings				
Materials and Supplies	0	186,815	156,193	30,622
Contractual Services	0	28,300	17,791	10,509
Capital Outlay	0	481,975	457,206	24,769
Total Land and Buildings	0	697,090	631,190	65,900
Law Director				
Personal Services	0	395,112	395,112	0
Fringe Benefits	228,236	263,118	261,628	1,490
Travel Transportation	100	50	0	50
Materials and Supplies	35,220	39,945	35,908	4,037
Contractual Services	3,300	7,550	6,711	839
Capital Outlay	0	11,450	11,025	425
Other	15,975	16,275	14,289	1,986
Total Law Director	282,831	733,500	724,673	8,827
Auditor				
Personal Services	252,785	221,097	221,097	0
Fringe Benefits	199,094	156,716	156,716	0
Travel Transportation	3,000	2,145	2,145	0
Materials and Supplies	5,450	5,532	5,398	134
Contractual Services	500	423	423	0
Capital Outlay	5,500	14,680	7,019	7,661
Other	2,450	1,620	1,522	98
Total Auditor	468,779	402,213	394,320	7,893

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Municipal Court				
Personal Services	1,067,311	1,169,490	1,167,937	1,553
Fringe Benefits	630,095	654,868	654,661	207
Travel Transportation	0	6,500	4,702	1,798
Materials and Supplies	0	85,580	52,811	32,769
Contractual Services	0	28,922	24,480	4,442
Capital Outlay	0	14,124	13,146	978
Other	0	5,430	4,124	1,306
Total Municipal Court	1,697,406	1,964,914	1,921,861	43,053
Civil Service				
Fringe Benefits	10	10	0	10
Travel	500	0	0	0
Materials and Supplies	18,700	18,745	4,715	14,030
Contractual Services	20,200	20,155	10,493	9,662
Capital Outlay	800	1,300	151	1,149
Other	6,000	6,000	531	5,469
Total Civil Service	46,210	46,210	15,890	30,320
Service Department				
Personal Services	109,889	109,908	109,908	0
Fringe Benefits	80,612	67,726	67,726	0
Travel	600	50	0	50
Materials and Supplies	26,100	28,050	22,109	5,941
Contractual Services	1,000	0	0	0
Capital Outlay	63,000	69,000	61,160	7,840
Other	1,250	1,100	0	1,100
Total Service Department	282,451	275,834	260,903	14,931
Engineering				
Personal Services	0	213,929	213,929	0
Fringe Benefits	0	101,564	101,564	0
Travel Transportation	200	1,143	0	1,143
Materials and Supplies	18,700	28,291	18,637	9,654
Contractual Services	16,500	12,750	4,519	8,231
Capital Outlay	11,250	12,889	4,920	7,969
Other	2,685	8,601	5,177	3,424
Total Engineering	49,335	379,167	348,746	30,421
Postage and Stores				
Materials and Supplies	0	70,000	57,414	12,586
Total Postage and Stores	0	70,000	57,414	12,586

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Recycling				
Personal Services	38,882	82,049	82,049	0
Fringe Benefits	27,166	74,782	74,782	0
Materials and Supplies	14,500	15,606	13,797	1,809
Contractual Services	0	18,000	16,690	1,310
Other	1,400	2,294	2,199	95
Total Recycling	81,948	192,731	189,517	3,214
Miscellaneous				
Fringe Benefits	16,500	16,500	1,366	15,134
Travel Transportation	1,100	1,750	473	1,277
Materials and Supplies	437,630	467,041	454,159	12,882
Contractual Services	156,700	201,211	155,849	45,362
Other	1,172,650	647,347	282,425	364,922
Total Miscellaneous	1,784,580	1,333,849	894,272	439,577
Planning Commission				
Materials and Supplies	50	50	0	50
Total Planning Commission	50	50	0	50
Total General Government	5,906,149	7,299,616	6,627,688	671,928
Security of Persons and Property				
Police Department				
Personal Services	3,509,200	4,244,508	4,244,508	0
Fringe Benefits	1,678,734	1,738,648	1,738,648	0
Travel Transportation	1,500	226	226	0
Materials and Supplies	207,835	211,231	196,867	14,364
Contractual Services	116,907	81,330	78,118	3,212
Capital Outlay	0	495,500	495,500	0
Other	66,557	68,896	67,796	1,100
Total Police Department	5,580,733	6,840,339	6,821,663	18,676
Fire Department				
Personal Services	3,205,338	3,571,778	3,569,711	2,067
Fringe Benefits	1,472,327	1,437,430	1,433,997	3,433
Travel Transportation	1,000	900	560	340
Materials and Supplies	281,679	292,881	286,117	6,764
Contractual Services	28,135	23,702	22,695	1,007
Capital Outlay	0	3,078	3,078	0
Other	57,224	59,759	57,772	1,987
Total Fire Department	5,045,703	5,389,528	5,373,930	15,598

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Total Security of Persons and Property	10,626,436	12,229,867	12,195,593	34,274
Transportation				
Streets and Sidewalks				
Materials and Supplies	330,410	330,410	326,094	4,316
	0	24,150	0	24,150
Total Streets and Sidewalks	330,410	354,560	326,094	28,466
Total Transportation	330,410	354,560	326,094	28,466
Community Environment				
Design and Review				
Materials and Supplies	125	125	0	125
Other	50	50	0	50
Total Design and Review	175	175	0	175
Total Community Environment	175	175	0	175
Basic Utility Services				
Refuse Department				
Personal Services	339,949	420,324	420,324	0
Fringe Benefits	212,632	238,227	237,448	779
Materials and Supplies	40,200	49,195	36,733	12,462
Contractual Services	275,000	343,405	324,526	18,879
Other	137,833	22,471	17,746	4,725
Total Refuse Department	1,005,614	1,073,622	1,036,777	36,845
Total Basic Utility Services	1,005,614	1,073,622	1,036,777	36,845

continued

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Debt Service:</i>				
Principal Retirements	50,000	160,417	160,417	0
Interest and Fiscal Charges	70,319	75,264	75,264	0
Total Debt Service	120,319	235,681	235,681	0
Total Expenditures	17,989,103	21,193,521	20,421,833	771,688
Excess of Revenues Over (Under) Expenditures	1,663,821	(677,162)	168,078	845,240
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	5,197	5,197	0
General Obligation Bonds Issued	0	382,000	382,000	0
Issuance of Notes	0	495,500	495,500	0
Advances In	0	180,000	180,000	0
Advances Out	0	(180,000)	(180,000)	0
Transfers-In	543,842	778,165	780,786	2,621
Transfers-Out	(1,182,057)	(2,046,224)	(2,040,130)	6,094
Total Other Sources (Uses)	(638,215)	(385,362)	(376,647)	8,715
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,025,606	(1,062,524)	(208,569)	853,955
Fund Balances at Beginning of Year	3,385,249	3,385,249	3,385,249	0
Prior Year Encumbrances Appropriated	38,156	38,156	38,156	0
Fund Balances at End of Year	<u>\$4,449,011</u>	<u>\$2,360,881</u>	<u>\$3,214,836</u>	<u>\$853,955</u>

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Taxes	\$1,508,500	\$1,558,904	\$1,565,545	\$6,641
Intergovernmental	885,000	1,060,799	1,060,176	(623)
Interest	0	100	45	(55)
Other	18,429	25,961	27,182	1,221
Total Revenue	2,411,929	2,645,764	2,652,948	7,184
Expenditures				
<i>Current:</i>				
Transportation				
Personal Services	458,779	515,631	440,168	75,463
Fringe Benefits	237,976	238,125	225,890	12,235
Materials and Supplies	209,440	208,148	180,214	27,934
Contractual Services	46,000	26,950	21,920	5,030
Capital Outlay	1,820,000	2,373,852	2,093,430	280,422
Other	26,745	186,040	185,740	300
Total Transportation	2,798,940	3,548,746	3,147,362	401,384
<i>Debt Service:</i>				
Principal Retirement	650,000	650,000	650,000	0
Interest and Fiscal Charges	98,012	98,012	98,012	0
Total Debt Service	748,012	748,012	748,012	0
Total Expenditures	3,546,952	4,296,758	3,895,374	401,384
Excess of Revenues Under Expenditures	(1,135,023)	(1,650,994)	(1,242,426)	408,568
Other Financing Sources and Uses				
Transfers - In	0	3,283	3,283	0
General Obligation Bonds Issued	0	382,000	382,000	0
Transfers - Out	(47,500)	(78,091)	(75,591)	2,500
Total Other Sources and Uses	(47,500)	307,192	309,692	2,500
Excess of Revenues and Other Sources Under Expenditures and Other Uses	(1,182,523)	(1,343,802)	(932,734)	411,068
Fund Balances at Beginning of Year	2,007,512	2,007,512	2,007,512	0
Prior Year Encumbrances Appropriated	360,232	360,232	360,232	0
Fund Balances at End of Year	\$1,185,221	\$1,023,942	\$1,435,010	\$411,068

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local Taxes	\$754,250	\$787,480	\$790,805	\$3,325
Charges for Services	4,795,000	4,839,217	4,839,356	139
Intergovernmental	1,589,165	1,431,845	1,431,845	0
Interest	0	22	22	0
Other	202,268	231,117	239,670	8,553
Total Revenue	7,340,683	7,289,681	7,301,698	12,017
Expenditures				
<i>Current:</i>				
Transportation				
Bus Transit System				
Personal Services	1,711,505	1,744,249	1,732,494	11,755
Fringe Benefits	1,000,425	967,681	952,186	15,495
Travel Transportation	1,200	683	683	0
Contractual Services	3,776,903	3,835,652	3,822,009	13,643
Materials and Supplies	383,696	351,827	343,219	8,608
Capital Outlay	96,492	290,276	233,843	56,433
Other	265,658	259,845	259,366	479
Transfers Out	48,708	48,708	22,500	26,208
Total Transportation	7,284,587	7,498,921	7,366,300	132,621
Debt Service				
Principal Retirement	30,000	30,000	30,000	0
Interest and Fiscal Charges	41,931	41,931	41,931	0
Total Expenditures	7,356,518	7,570,852	7,438,231	132,621
Excess of Revenues Under Expenditures	(15,835)	(281,171)	(136,533)	144,638
Other Financing Uses				
Transfers-Out	(100)	(100)	(53)	47
Total Other Uses	(100)	(100)	(53)	47
Excess of Revenues Under Expenditures and Other Uses	(15,935)	(281,271)	(136,586)	144,685
Fund Balances at Beginning of Year	558,306	558,306	558,306	0
Fund Balances at End of Year	\$542,371	\$277,035	\$421,720	\$144,685

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
State Highway Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$68,000	\$86,038	\$85,960	(\$78)
Total Revenue	68,000	86,038	85,960	(78)
Expenditures				
<i>Current:</i>				
Transportation				
Capital Outlay	82,000	157,000	75,000	82,000
Total Transportation	82,000	157,000	75,000	82,000
Total Expenditures	82,000	157,000	75,000	82,000
Excess of Revenues Over (Under) Expenditures	(14,000)	(70,962)	10,960	81,922
Other Financing Sources				
General Obligation Bonds Issued	0	95,000	95,000	0
Total Other Financing Sources	0	95,000	95,000	0
Net Change in Fund Balance	(14,000)	24,038	105,960	81,922
Fund Balances at Beginning of Year	187,840	187,840	187,840	0
Prior Year Encumbrances Appropriated	100,000	100,000	100,000	0
Fund Balances at End of Year	<u>\$273,840</u>	<u>\$311,878</u>	<u>\$393,800</u>	<u>\$81,922</u>

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Parks and Recreation Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$565,667	\$590,613	\$593,107	\$2,494
Charges for Services	99,000	94,944	94,944	0
Contributions and Donations	0	1,800	1,800	0
Interest	0	17	17	0
Other	37,880	25,894	25,897	3
Total Revenue	702,547	713,268	715,765	2,497
Expenditures				
<i>Current:</i>				
Leisure Time Activities				
Parks and Recreation				
Personal Services	290,040	363,269	344,362	18,907
Fringe Benefits	177,621	186,392	171,411	14,981
Materials and Supplies	126,050	161,252	146,286	14,966
Contractual Services	11,500	12,396	9,493	2,903
Capital Outley	0	15,000	14,936	64
Other	4,841	9,193	7,338	1,855
Total Parks and Recreation	610,052	747,502	693,826	53,676
Leisure Time Activities				
Swimming Pool				
Personal Services	0	97,500	65,284	32,216
Fringe Benefits	0	13,000	11,758	1,242
Materials and Supplies	0	53,280	52,104	1,176
Other	0	3,070	3,070	0
Total Swimming Pool	0	166,850	132,216	34,634
Total Leisure Time Activities	610,052	914,352	826,042	88,310
Excess of Revenues Over (Under) Expenditures	92,495	(201,084)	(110,277)	90,807
Other Financing Sources (Uses)				
Transfers-In	0	5,642	5,642	0
Transfers-Out	(36,208)	(36,350)	(9,800)	26,550
Total Other Sources (Uses)	(36,208)	(30,708)	(4,158)	26,550
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	56,287	(231,792)	(114,435)	117,357
Fund Balances at Beginning of Year	282,713	282,713	282,713	0
Fund Balances at End of Year	\$339,000	\$50,921	\$168,278	\$117,357

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
HUD Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$225,000	\$430,000	\$430,000	\$0
Interest	0	1	1	0
Other	0	4,943	4,943	0
Total Revenue	225,000	434,944	434,944	0
Expenditures				
<i>Current:</i>				
Community Environment				
Rehabilitation & Development				
Contractual Services	0	370,000	370,000	0
Materials and Supplies	225,000	73,022	55,000	18,022
Total Community Environment	225,000	443,022	425,000	18,022
Total Expenditures	225,000	443,022	425,000	18,022
Excess of Revenues Over (Under) Expenditures	0	(8,078)	9,944	18,022
Other Financing Sources (Uses)				
Advances In	0	180,000	180,000	0
Advances Out	0	(180,000)	(180,000)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	(8,078)	9,944	
Fund Balances at Beginning of Year	13,486	13,486	13,486	0
Fund Balances at End of Year	\$13,486	\$5,408	\$23,430	\$18,022

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Grants Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$282,920	\$363,730	\$363,730	\$0
Total Revenue	282,920	363,730	363,730	0
Expenditures	0	0	0	0
Excess of Revenues Over Expenditures	282,920	363,730	363,730	0
Other Financing Uses				
Transfers-Out	(282,920)	(365,842)	(365,832)	10
Total Other Uses	(282,920)	(365,842)	(365,832)	10
Excess of Revenues Over (Under) Expenditures and Other Uses	0	(2,112)	(2,102)	10
Fund Balances at Beginning of Year	93,133	93,133	93,133	0
Fund Balances at End of Year	\$93,133	\$91,021	\$91,031	\$10

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Cablevision Fund
For the Year Ended December 31, 2019

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

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Law Enforcement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$0	\$11,415	\$11,415	\$0
Intergovernmental	2,500	2,500	1,831	(\$669)
Total Revenue	2,500	13,915	13,246	(669)
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police				
Other	20,000	29,129	26,819	2,310
Total Security of Persons & Property	20,000	29,129	26,819	2,310
Total Expenditures	20,000	29,129	26,819	2,310
Excess of Revenues Under Expenditures	(17,500)	(15,214)	(13,573)	1,641
Fund Balances at Beginning of Year	56,194	56,194	56,194	0
Prior Year Encumbrances Appropriated	856	856	856	0
Fund Balances at End of Year	\$39,550	\$41,836	\$43,477	\$1,641

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Indigent Driver's Alcohol Treatment Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$25,000	\$31,027	\$31,027	\$0
Total Revenue	25,000	31,027	31,027	0
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police				
Alcohol Treatment				
Contractual Services	0	50,000	3,924	46,076
Other	0	39,720	0	39,720
Total Security of Persons and Property	0	89,720	3,924	85,796
Total Expenditures	0	89,720	3,924	85,796
Excess of Revenues Under Expenditures	25,000	(58,693)	27,103	85,796
Fund Balances at Beginning of Year	242,663	242,663	242,663	0
Fund Balances at End of Year	\$267,663	\$183,970	\$269,766	\$85,796

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
OMVI Enforcement and Education Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	\$2,500	\$4,314	\$1,747	(\$2,567)
Total Revenue	2,500	4,314	1,747	(2,567)
Expenditures				
Total Expenditures	0	0	0	0
Excess of Revenues Over Expenditures	2,500	4,314	1,747	(2,567)
Fund Balances at Beginning of Year	21,013	21,013	21,013	0
Fund Balances at End of Year	\$23,513	\$25,327	\$22,760	(\$2,567)

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Mandatory Drug Fines Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	\$2,000	\$4,830	\$4,830	\$0
Total Revenue	2,000	4,830	4,830	0
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police				
Enforcement & Education				
Other	0	2,500	0	2,500
Total Security of Persons and Property	0	2,500	0	2,500
Total Expenditures	0	2,500	0	2,500
Excess of Revenues Over Expenditures	2,000	2,330	4,830	2,500
Fund Balances at Beginning of Year	2,711	2,711	2,711	0
Fund Balances at End of Year	\$4,711	\$5,041	\$7,541	\$2,500

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Parking Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$6,500	\$10,833	\$10,834	\$1
Fines, Licenses and Permits	20,000	3,845	3,970	125
Miscellaneous	1,498	37,794	37,924	130
Total Revenue	27,998	52,472	52,728	256
Expenditures				
<i>Current:</i>				
Transportation				
Traffic Control & Parking Facility				
Personal Services	38,938	95,738	95,655	83
Fringe Benefits	46,692	46,612	44,694	1,918
Contractual Services	1,000	1,553	1,550	3
Materials and Supplies	35,800	76,157	72,993	3,164
Capital Outlay	1,000	2,335	1,335	1,000
Other	0	477	218	259
Total Transportation	123,430	222,872	216,445	6,427
Total Expenditures	123,430	222,872	216,445	6,427
Excess of Revenues Under Expenditures	(95,432)	(170,400)	(163,717)	6,683
Other Financing Sources (Uses)				
Transfers-In	154,000	155,000	149,000	(6,000)
Transfers Out	(6,000)	(6,000)	0	6,000
Total Other Sources (Uses)	148,000	149,000	149,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures and other Uses	52,568	(21,400)	(14,717)	6,683
Fund Balances at Beginning of Year	35,644	35,644	35,644	0
Fund Balances at End of Year	\$88,212	\$14,244	\$20,927	\$6,683

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Police Pension Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$128,139	\$117,341	\$117,341	\$0
Intergovernmental	14,000	14,072	14,072	0
Total Revenue	142,139	131,413	131,413	0
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Police Pension & Disability				
Fringe Benefits	621,908	643,908	643,042	866
Other	2,550	2,550	2,501	49
Total Security of Persons & Property	624,458	646,458	645,543	915
<i>Debt Service:</i>				
Principal Retirement	6,780	6,780	6,780	0
Interest and Fiscal Changes	1,446	1,446	1,446	0
Total Expenditures	632,684	654,684	653,769	915
Excess of Revenues Under Expenditures	(490,545)	(523,271)	(522,356)	915
Other Financing Sources				
Transfers-In	493,919	525,453	525,453	0
Total Other Sources	493,919	525,453	525,453	0
Excess of Revenues and Other Sources Over Expenditures	3,374	2,182	3,097	915
Fund Balances at Beginning of Year	1,903	1,903	1,903	0
Fund Balances at End of Year	\$5,277	\$4,085	\$5,000	\$915

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Fire Pension Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$128,139	\$117,341	\$117,341	\$0
Intergovernmental	14,050	14,072	14,072	0
Total Revenue	142,189	131,413	131,413	0
Expenditures				
<i>Current:</i>				
Security of Persons and Property				
Fire Pension & Disability				
Fringe Benefits	791,927	782,422	782,422	0
Other	2,550	2,501	2,500	1
Total Security of Persons & Property	794,477	784,923	784,922	1
<i>Debt Service:</i>				
Principal Retirement	23,220	23,220	23,220	0
Interest and Fiscal Changes	4,954	4,954	4,954	0
Total Expenditures	822,651	813,097	813,096	1
Excess of Revenues Under Expenditures	(680,462)	(681,684)	(681,683)	1
Other Financing Sources				
Transfers-In	683,938	680,780	680,780	0
Total Other Sources	683,938	680,780	680,780	0
Excess of Revenues and Other Sources Over (Under) Expenditures	3,476	(904)	(903)	1
Fund Balances at Beginning of Year	1,903	1,903	1,903	0
Fund Balances at End of Year	\$5,379	\$999	\$1,000	\$1

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Bond Retirement Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Other	\$0	\$7,966	\$7,966	\$0
Total Revenue	0	7,966	7,966	0
Expenditures				
<i>Debt Service:</i>				
Principal Retirement	0	23,907	0	23,907
Interest and Fiscal Charges	0	6,348	6,348	0
Issuance Costs	0	16,031	16,031	0
Total Debt Service	0	46,286	22,379	23,907
Total Expenditures	0	46,286	22,379	23,907
Excess of Revenues Over (Under) Expenditures	0	(38,320)	(14,413)	23,907
Other Financing Sources				
Transfers-In	0	23,908	23,908	0
Premium on Debt Issued	0	112,440	112,440	0
Total Other Sources	0	136,348	136,348	0
Excess of Revenues and Other Sources Over Expenditures	0	98,028	121,935	23,907
Fund Balances at Beginning of Year	110,708	110,708	110,708	0
Fund Balances at End of Year	<u>\$110,708</u>	<u>\$208,736</u>	<u>\$232,643</u>	<u>\$23,907</u>

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Capital Improvement Fund
For the Year Ended December 31, 2019

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

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Issue II Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$440,000	\$207,007	\$207,007	\$0
Total Revenue	440,000	207,007	207,007	0
Expenditures				
Capital Outlay				
Capital Outlay	440,000	207,007	207,007	0
Total Capital Outlay	440,000	207,007	207,007	0
Total Expenditures	440,000	207,007	207,007	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Safety Levy Capital Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$754,250	\$787,480	\$790,805	\$3,325
Intergovernmental	0	22,956	22,956	0
Interest	0	22	22	0
Total Revenue	754,250	810,458	813,783	3,325
Expenditures				
Capital Outlay				
Contractual Services	54,000	54,000	51,697	2,303
Materials and Supplies	10,000	10,121	10,121	0
Capital Outlay	383,300	445,544	324,254	121,290
Other	161,578	11,100	8,161	2,939
Total Capital Outlay	608,878	520,765	394,233	126,532
<i>Debt Service:</i>				
Principal Retirement	143,712	291,615	291,615	0
Interest and Fiscal Changes	12,807	21,050	21,049	1
Total Expenditures	765,397	833,430	706,897	126,533
Excess of Revenues Over (Under) Expenditures	(11,147)	(22,972)	106,886	129,858
Other Financing Uses				
Transfers-Out	(22,500)	(46,408)	(46,408)	0
Total Other Uses	(22,500)	(46,408)	(46,408)	0
Excess of Revenues Over (Under) Expenditures and Other Uses	(33,647)	(69,380)	60,478	129,858
Fund Balances at Beginning of Year	414,077	414,077	414,077	0
Prior Year Encumbrances Appropriated	24,504	24,504	24,504	0
Fund Balances at End of Year	\$404,934	\$369,201	\$499,059	\$129,858

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Parks and Recreation Capital Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$188,563	\$196,867	\$197,698	\$831
Interest	0	6	6	0
Contributions and Donations	0	83,569	83,569	0
Other	0	8,848	8,848	0
Total Revenue	188,563	289,290	290,121	831
Expenditures				
Capital Outlay				
Capital Outlay	295,400	551,111	390,604	160,507
Other	200	200	10	190
Total Capital Outlay	295,600	551,311	390,614	160,697
Total Expenditures	295,600	551,311	390,614	160,697
Excess of Revenues Under Expenditures	(107,037)	(262,021)	(100,493)	161,528
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	512,000	512,000	0
Transfers-Out	(22,500)	(217,500)	(217,500)	0
Total Other Sources (Uses)	(22,500)	294,500	294,500	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(129,537)	32,479	194,007	161,528
Fund Balances at Beginning of Year	180,152	180,152	180,152	0
Fund Balances at End of Year	\$50,615	\$212,631	\$374,159	\$161,528

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Carlisle Hill Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$15	\$15	\$0
Total Revenue	0	15	15	0
Expenditures				
Total Expenditures	0	0	0	0
Excess of Revenues Over Expenditures	0	15	15	0
Fund Balances at Beginning of Year	3,340	3,340	3,340	0
Fund Balances at End of Year	<u>\$3,340</u>	<u>\$3,355</u>	<u>\$3,355</u>	<u>\$0</u>

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Floodwall Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Current:</i>				
Community Environment				
Floodwall Maintenance				
Contractual Services	14,000	14,000	11,895	2,105
Materials and Supplies	21,400	22,750	17,742	5,008
Capital Outlay	24,000	24,000	12,447	11,553
Other	0	0	0	0
Total Community Environment	59,400	60,750	42,084	18,666
Total Expenditures	59,400	60,750	42,084	18,666
Excess of Revenues Under Expenditures	(59,400)	(60,750)	(42,084)	18,666
Other Financing Sources (Uses)				
Transfers-In	65,000	65,000	65,000	0
Transfers-Out	(9,800)	(12,450)	(12,187)	263
Total Other Sources (Uses)	55,200	52,550	52,813	263
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,200)	(8,200)	10,729	18,929
Fund Balances at Beginning of Year	27,510	27,510	27,510	0
Prior Year Encumbrances Appropriated	2,500	2,500	2,500	0
Fund Balances at End of Year	\$25,810	\$21,810	\$40,739	\$18,929

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Income Tax Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
<i>Current:</i>				
General Government				
Unallocated & Refunded Income Tax				
Other	450,000	450,000	374,968	75,032
Total General Government	450,000	450,000	374,968	75,032
Total Expenditures	450,000	450,000	374,968	75,032
Excess of Revenues Under Expenditures	(450,000)	(450,000)	(374,968)	75,032
Other Financing Sources				
Transfers-In	450,000	450,000	450,000	0
Total Other Sources	450,000	450,000	450,000	0
Excess of Revenues and Other Sources Over Expenditures	0	0	75,032	75,032
Fund Balances at Beginning of Year	2,360	2,360	2,360	0
Fund Balances at End of Year	\$2,360	\$2,360	\$77,392	\$75,032

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Landfill Closure Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Total Revenue	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay				
Materials and Supplies	0	724	724	0
Capital Outlay	40,000	39,276	34,581	4,695
Total Capital Outlay	40,000	40,000	35,305	4,695
Total Expenditures	40,000	40,000	35,305	4,695
Excess of Revenues Under Expenditures	(40,000)	(40,000)	(35,305)	4,695
Other Financing Sources				
Transfers-In	40,000	40,000	40,000	0
General Obligation Bonds Issued	0	20,000	20,000	0
Total Other Sources	40,000	60,000	60,000	0
Excess of Revenues and Other Sources Over Expenditures	0	20,000	24,695	4,695
Fund Balances at Beginning of Year	11,420	11,420	11,420	0
Fund Balances at End of Year	\$11,420	\$31,420	\$36,115	\$4,695

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Streetscape Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Total Revenue	0	0	0	0
Expenditures				
Capital Outlay				
Capital Outlay	15,000	17,000	13,987	3,013
Total Capital Outlay	15,000	17,000	13,987	3,013
Total Expenditures	15,000	17,000	13,987	3,013
Excess of Revenues Under Expenditures	(15,000)	(17,000)	(13,987)	3,013
Other Financing Sources				
Transfers-In	15,000	15,000	15,000	0
Total Other Sources	15,000	15,000	15,000	0
Excess of Revenues and Other Sources Over (Under) Expenditures	0	(2,000)	1,013	3,013
Fund Balances at Beginning of Year	23,324	23,324	23,324	0
Fund Balances at End of Year	\$23,324	\$21,324	\$24,337	\$3,013

City of Chillicothe, Ohio
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Budget Basis)
Unclaimed Monies Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Other	\$4,000	\$8,279	\$8,279	\$0
Total Revenue	4,000	8,279	8,279	0
Expenditures				
<i>Current:</i>				
General Government				
Monies Claimed	0	1,000	244	\$756
Total General Government	0	1,000	244	756
Total Expenditures	0	1,000	244	756
Excess of Revenues Over Expenditures	4,000	7,279	8,035	756
Fund Balances at Beginning of Year	102,950	102,950	102,950	0
Fund Balances at End of Year	<u>\$106,950</u>	<u>\$110,229</u>	<u>\$110,985</u>	<u>\$756</u>

**CITY OF CHILLICOTHE, OHIO
PROPRIETARY FUNDS**

ENTERPRISE FUNDS

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

NONMAJOR INTERNAL SERVICE FUND

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

Fuel Purchasing Program

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

City of Chillicothe, Ohio
Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget and Actual (Budget Basis)
Water Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,266,500	\$4,385,843	\$4,395,179	\$9,336
Other Operating Revenue	121,563	136,719	136,344	(375)
Total Revenue	4,388,063	4,522,562	4,531,523	8,961
Expenses				
<i>Current:</i>				
Personal Services	856,370	1,443,203	1,409,683	33,520
Fringe Benefits	858,121	815,606	795,672	19,934
Travel Transportation	0	1,587	1,569	18
Contractual Services	40,100	166,378	156,979	9,399
Materials and Supplies	301,125	863,849	761,845	102,004
Other Operating Expenses	213,547	244,626	237,366	7,260
Capital Outlay	766,580	1,411,137	875,829	535,308
<i>Debt Service:</i>				
Principal Retirement	435,000	435,000	435,000	0
Interest and Fiscal Charges	17,500	17,500	17,500	0
Bond Issuance Costs	0	4,402	4,402	0
Total Expenses	3,488,343	5,403,288	4,695,845	707,443
Excess of Revenues Over (Under) Expenses	899,720	(880,726)	(164,322)	716,404
Other Financing Sources (Uses)				
General Obligation Bonds	0	382,000	382,000	0
Premium on Debt Issued	0	30,879	30,879	0
Transfers-Out	(181,896)	(13,854)	(669)	(168,711)
Total Other Sources (Uses)	(181,896)	399,025	412,210	(168,711)
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	717,824	(481,701)	247,888	547,693
Fund Equity at Beginning of Year	4,627,961	4,627,961	4,627,961	0
Prior Year Encumbrances Appropriated	391,751	391,751	391,751	0
Fund Equity at End of Year	\$5,737,536	\$4,538,011	\$5,267,600	\$547,693

City of Chillicothe, Ohio
Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget and Actual (Budget Basis)
Sewer Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$3,130,000	\$3,510,034	\$3,514,623	\$4,589
Other Operating Revenues	60,822	61,902	63,685	1,783
Total Revenue	3,190,822	3,571,936	3,578,308	6,372
Expenses				
<i>Current:</i>				
Personal Services	1,212,337	1,247,238	1,128,220	119,018
Fringe Benefits	793,793	790,892	662,943	127,949
Contractual Services	127,100	126,441	115,379	11,062
Materials and Supplies	440,995	488,443	465,665	22,778
Other Operating Expenses	175,681	182,117	178,020	4,097
Capital Outlay	1,080,830	2,371,245	1,212,955	1,158,290
<i>Debt Service:</i>				
Principal Retirement	130,000	130,000	130,000	0
Interest and Fiscal Charges	20,350	20,350	20,350	0
Bond Issuance Costs	0	4,402	4,402	0
Total Expenses	3,981,086	5,361,128	3,917,934	1,443,194
Excess of Revenues Under Expenses	(790,264)	(1,789,192)	(339,626)	1,449,566
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	382,000	382,000	0
Premium on Debt Issued	0	30,879	30,879	0
Transfers-In	30,000	30,000	30,000	0
Transfers-Out	(181,896)	(14,004)	(682)	13,322
Total Other Sources (Uses)	(151,896)	428,875	442,197	13,322
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	(942,160)	(1,360,317)	102,571	1,462,888
Fund Equity at Beginning of Year	4,396,513	4,396,513	4,396,513	0
Prior Year Encumbrances Appropriated	738,255	738,255	738,255	0
Fund Equity at End of Year	\$4,192,608	\$3,774,451	\$5,237,339	\$1,462,888

City of Chillicothe, Ohio
Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget and Actual (Budget Basis)
Internal Service Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$420,000	\$420,000	\$416,469	(\$3,531)
Total Revenue	420,000	420,000	416,469	(3,531)
Expenses				
Materials and Supplies	0	452,500	410,348	42,152
Other Operating Expenses	0	25,000	25,000	0
Total Expenses	0	477,500	435,348	42,152
Excess of Revenues Over (Under) Expenses	420,000	(57,500)	(18,879)	38,621
Fund Equity at Beginning of Year	83,134	83,134	83,134	0
Fund Equity at End of Year	\$503,134	\$25,634	\$64,255	\$38,621

**CITY OF CHILLICOTHE, OHIO
FIDUCIARY FUNDS**

AGENCY FUNDS

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

Court Agency Fund

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

Deposits Agency Fund

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

City of Chillicothe, Ohio
Statement of Changes in Assets & Liabilities
Agency Funds
For the Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Reductions	Balance 12/31/2019
Deposits Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37,992	\$369	\$305	\$38,056
<i>Total Assets</i>	<u>\$37,992</u>	<u>\$369</u>	<u>\$305</u>	<u>\$38,056</u>
Liabilities				
Deposits Held and Due to Others	\$37,992	\$369	\$305	\$38,056
<i>Total Liabilities</i>	<u>\$37,992</u>	<u>\$369</u>	<u>\$305</u>	<u>\$38,056</u>
Municipal Court Agency				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$148,259	\$1,933,626	\$1,987,578	\$94,307
<i>Total Assets</i>	<u>\$148,259</u>	<u>\$1,933,626</u>	<u>\$1,987,578</u>	<u>\$94,307</u>
Liabilities				
Intergovernmental Payable	\$59,362	\$686,552	\$683,522	\$62,392
Undistributed Monies	88,897	308,979	365,961	31,915
Deposits Held and Due to Others	0	938,095	938,095	0
<i>Total Liabilities</i>	<u>\$148,259</u>	<u>\$1,933,626</u>	<u>\$1,987,578</u>	<u>\$94,307</u>
Total Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37,992	\$369	\$305	\$38,056
Cash and Cash Equivalents in Segregated Accounts	148,259	1,933,626	1,987,578	94,307
<i>Total Assets</i>	<u>\$186,251</u>	<u>\$1,933,995</u>	<u>\$1,987,883</u>	<u>\$132,363</u>
Liabilities				
Intergovernmental Payable	\$59,362	\$686,552	\$683,522	\$62,392
Undistributed Monies	88,897	308,979	365,961	31,915
Deposits Held and Due to Others	37,992	938,464	938,400	38,056
<i>Total Liabilities</i>	<u>\$186,251</u>	<u>\$1,933,995</u>	<u>\$1,987,883</u>	<u>\$132,363</u>

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	161-172
Revenue Capacity	
These schedules contain information to help the reader understand and access the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and income tax.	173-177
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	178-183
Economic and Demographic Information	
This schedule offers economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	184-185
Operating Information	
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	186-194

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

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

	2010	2011	2012	2013
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$40,021,089	\$37,577,135	\$37,188,766	\$36,003,964
<i>Restricted:</i>				
Debt Service	14,099	14,670	14,956	1,940
Capital Projects	1,488,796	2,433,951	587,122	753,555
<i>Permanent Fund:</i>				
Expendable	2,207	2,235	2,250	2,265
Nonexpendable	1,000	1,000	1,000	1,000
Street Construction, Maintenance and Repair	326,271	377,749	597,155	577,311
Bus Transit	205,481	13,980	144,362	454,151
Housing and Urban Development Program	418,947	655,388	630,777	211,626
Other Purposes	998,585	950,556	770,263	918,037
Unrestricted (Deficit)	<u>(1,172,862)</u>	<u>(266,958)</u>	<u>(273,582)</u>	<u>575,723</u>
<i>Total Governmental Activities Net Position</i>	<u>\$42,303,613</u>	<u>\$41,759,706</u>	<u>\$39,663,069</u>	<u>\$39,499,572</u>
<i>Business Type - Activities</i>				
Net Investment in Capital Assets	\$32,510,938	\$30,558,748	\$32,431,229	\$32,846,152
<i>Restricted:</i>				
Debt Service	1,627,337	1,283,936	1,283,936	1,351,634
Capital Projects	1,818,467	1,818,467	1,818,467	1,818,467
Unrestricted	<u>4,830,440</u>	<u>7,450,049</u>	<u>4,928,272</u>	<u>4,914,405</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$40,787,182</u>	<u>\$41,111,200</u>	<u>\$40,461,904</u>	<u>\$40,930,658</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$72,532,027	\$68,135,883	\$69,619,995	\$68,850,116
Restricted	6,901,190	7,551,932	5,850,288	6,089,986
Unrestricted	<u>3,657,578</u>	<u>7,183,091</u>	<u>4,654,690</u>	<u>5,490,128</u>
<i>Total Primary Government Net Position</i>	<u>\$83,090,795</u>	<u>\$82,870,906</u>	<u>\$80,124,973</u>	<u>\$80,430,230</u>

*Restated in 2018

2014	2015	2016	2017*	2018	2019
\$34,537,906	\$31,019,197	\$29,083,001	\$26,212,133	\$26,307,894	\$25,181,090
3,152	2,720	0	0	83,515	196,466
874,538	691,212	783,956	685,762	1,258,733	1,060,549
2,265	2,295	2,310	2,325	2,340	2,355
1,000	1,000	1,000	1,000	1,000	1,000
493,184	0	2,507,600	3,618,733	2,839,067	2,451,875
585,710	719,872	745,369	1,085,982	698,018	695,352
88,716	90,128	62,535	57,633	79,940	13,430
983,910	1,155,410	1,260,684	1,284,662	1,221,335	1,201,053
<u>(14,972,673)</u>	<u>(12,599,357)</u>	<u>(15,464,626)</u>	<u>(32,054,419)</u>	<u>(35,176,908)</u>	<u>(26,910,596)</u>
<u>\$22,597,708</u>	<u>\$21,082,477</u>	<u>\$18,981,829</u>	<u>\$893,811</u>	<u>(\$2,685,066)</u>	<u>\$3,892,574</u>
\$33,479,256	\$33,549,707	\$33,244,740	\$33,483,988	\$33,067,316	\$32,231,325
1,351,634	4	4	4	4	4
1,818,467	618,468	618,468	618,466	618,466	618,466
<u>3,032,263</u>	<u>6,210,997</u>	<u>6,856,475</u>	<u>4,814,012</u>	<u>5,207,250</u>	<u>5,148,565</u>
<u>\$39,681,620</u>	<u>\$40,379,176</u>	<u>\$40,719,687</u>	<u>\$38,916,470</u>	<u>\$38,893,036</u>	<u>\$37,998,360</u>
\$68,017,162	\$64,568,904	\$62,327,741	\$59,696,121	\$59,375,210	\$57,412,415
6,202,576	3,281,109	5,981,926	7,354,567	6,802,418	6,240,550
<u>(11,940,410)</u>	<u>(6,388,360)</u>	<u>(8,608,151)</u>	<u>(27,240,407)</u>	<u>(29,969,658)</u>	<u>(21,762,031)</u>
<u>\$62,279,328</u>	<u>\$61,461,653</u>	<u>\$59,701,516</u>	<u>\$39,810,281</u>	<u>\$36,207,970</u>	<u>\$41,890,934</u>

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

	2010	2011	2012	2013
Program Revenues				
<i>Governmental Activities</i>				
<i>Charges for Services:</i>				
General Government	\$2,619,886	\$2,248,670	\$2,198,878	\$2,064,040
Security of Persons and Property:				
Police	57,760	52,402	62,719	43,245
Fire	1,138,072	1,227,034	1,128,525	1,090,048
Transportation	848,534	1,059,399	1,200,451	1,159,503
Basic Utility Services	989,639	942,951	939,539	1,620,594
Leisure Time Activities	90,134	107,531	125,053	72,920
Subtotal - Charges for Services	<u>5,744,025</u>	<u>5,637,987</u>	<u>5,655,165</u>	<u>6,050,350</u>
<i>Operating Grants and Contributions:</i>				
General Government	207,793	250,860	225,772	224,910
Security of Persons and Property:				
Police	151,421	0	29,330	132,204
Fire	146,250	0	155,117	254,413
Transportation	1,555,346	2,125,408	2,341,454	3,524,770
Community Environment	131,711	1,866,383	1,127,170	50,375
Leisure Time Activities	6,407	17,046	19,877	5,938
Subtotal - Operating Grants and Contributions	<u>2,198,928</u>	<u>4,259,697</u>	<u>3,898,720</u>	<u>4,192,610</u>
<i>Capital Grants and Contributions:</i>				
Transportation	794,490	336,199	464,966	99,608
Leisure Time Activities	136,400	0	0	33,997
Subtotal - Capital Grants and Contributions	<u>930,890</u>	<u>336,199</u>	<u>464,966</u>	<u>133,605</u>
Total Governmental Activities Program Revenues	<u>8,873,843</u>	<u>10,233,883</u>	<u>10,018,851</u>	<u>10,376,565</u>
<i>Business-Type Activities</i>				
<i>Charges for Services</i>				
Water	4,439,150	4,515,934	3,747,483	4,467,383
Sewer	3,086,853	3,188,581	2,658,330	3,189,215
Total Business-Type Activities Program Revenues	<u>7,526,003</u>	<u>7,704,515</u>	<u>6,405,813</u>	<u>7,656,598</u>
Total Primary Government Program Revenues	<u>\$16,399,846</u>	<u>\$17,938,398</u>	<u>\$16,424,664</u>	<u>\$18,033,163</u>

2014	2015	2016	2017	2018	2019
\$2,206,675	\$2,326,602	\$2,483,728	\$2,675,760	\$2,373,866	\$2,224,889
42,685	49,952	33,477	41,252	34,761	39,815
1,136,677	999,256	1,037,872	1,068,942	1,048,201	1,091,456
2,038,070	2,345,012	1,959,322	2,228,577	4,486,010	5,202,451
1,460,742	1,461,615	1,455,317	1,452,727	1,485,124	1,643,182
109,667	91,472	114,592	111,831	109,365	96,761
6,994,516	7,273,909	7,084,308	7,579,089	9,537,327	10,298,554
212,942	0	0	6,843	0	0
74,464	33,611	14,800	41,146	235,623	393,488
30,317	19,502	14,017	14,140	14,110	14,482
2,464,472	2,676,569	2,664,810	2,434,016	2,082,423	2,457,636
120,686	83,757	69,041	47,704	13,450	363,546
17,440	0	0	0	0	0
2,920,321	2,813,439	2,762,668	2,543,849	2,345,606	3,229,152
60,131	330,000	95,450	420,773	603,450	512,747
4,960	0	10,000	0	56,802	83,569
65,091	330,000	105,450	420,773	660,252	596,316
9,979,928	10,417,348	9,952,426	10,543,711	12,543,185	14,124,022
4,343,590	4,389,716	4,276,662	4,345,361	4,421,534	4,382,532
3,026,390	3,091,530	3,044,372	3,171,156	3,430,191	3,488,525
7,369,980	7,481,246	7,321,034	7,516,517	7,851,725	7,871,057
\$17,349,908	\$17,898,594	\$17,273,460	\$18,060,228	\$20,394,910	\$21,995,079

continued

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

	2010	2011	2012	2013
Expenses				
<i>Governmental Activities</i>				
General Government	\$5,972,704	\$5,714,391	\$5,699,394	\$5,333,744
Security of Persons and Property:				
Police	5,921,752	5,347,177	5,537,262	5,414,997
Fire	5,427,992	5,486,905	5,692,471	5,586,698
Transportation	5,650,615	6,504,578	6,321,374	6,134,684
Community Environment	969,074	1,432,828	930,752	833,234
Basic Utility Services	1,172,801	673,426	920,910	752,633
Leisure Time Activities	856,056	863,046	933,458	617,180
Interest and Fiscal Charges	132,305	116,032	115,936	125,816
Issuance Costs	0	0	0	156,699
<i>Total Governmental Activities Expenses</i>	<u>26,103,299</u>	<u>26,138,383</u>	<u>26,151,557</u>	<u>24,955,685</u>
<i>Business-Type Activities</i>				
Water	3,900,284	4,995,184	4,089,141	3,896,122
Sewer	3,887,721	3,328,562	3,103,909	3,494,256
<i>Total Business-Type Activities Expenses</i>	<u>7,788,005</u>	<u>8,323,746</u>	<u>7,193,050</u>	<u>7,390,378</u>
<i>Total Primary Government Program Expenses</i>	<u>33,891,304</u>	<u>34,462,129</u>	<u>33,344,607</u>	<u>32,346,063</u>
Net (Expense)/Revenue				
Governmental Activities	(17,229,456)	(15,904,500)	(16,132,706)	(14,579,120)
Business-Type Activities	<u>(262,002)</u>	<u>(619,231)</u>	<u>(787,237)</u>	<u>266,220</u>
<i>Total Primary Government Net Expense</i>	<u>(17,491,458)</u>	<u>(16,523,731)</u>	<u>(16,919,943)</u>	<u>(14,312,900)</u>

2014	2015	2016	2017	2018	2019
\$5,100,298	\$5,586,664	\$5,849,212	\$6,389,653	\$6,661,671	\$8,183,220
5,338,983	5,207,081	6,400,259	6,332,115	7,589,867	2,920,880
5,564,205	5,263,397	6,144,215	6,260,678	7,001,891	481,614
6,402,993	8,356,705	8,833,139	8,703,914	10,737,859	12,236,494
603,419	445,176	432,011	430,023	354,503	775,071
1,108,199	898,156	920,757	985,975	1,782,804	1,144,709
775,554	789,943	997,693	1,097,183	1,176,712	1,091,968
167,577	177,562	191,771	303,446	287,022	251,742
0	6,928	71,950	61,187	0	16,031
25,061,228	26,731,612	29,841,007	30,564,174	35,592,329	27,101,729
3,983,254	3,675,217	4,078,550	4,277,717	4,537,006	5,026,351
3,123,064	3,278,689	3,148,529	3,631,845	3,621,098	3,968,060
7,106,318	6,953,906	7,227,079	7,909,562	8,158,104	8,994,411
32,167,546	33,685,518	37,068,086	38,473,736	43,750,433	36,096,140
(15,081,300)	(16,314,264)	(19,888,581)	(20,020,463)	(23,049,144)	(12,977,707)
263,662	527,340	93,955	(393,045)	(306,379)	(1,123,354)
(14,817,638)	(15,786,924)	(19,794,626)	(20,413,508)	(23,355,523)	(14,101,061)

continued

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

	2010	2011	2012	2013
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	941,165	899,306	880,624	883,741
Police and Fire Pension	226,362	216,144	211,970	226,163
<i>Municipal Income Taxes Levied for:</i>				
General Purposes	9,109,304	9,495,655	9,598,751	9,662,424
Transportation	662,443	690,670	697,395	702,702
Capital Outlay	827,341	864,429	862,151	878,096
Other Taxes	230,591	207,975	238,930	243,520
<i>Grants and Entitlements not Restricted to</i>				
Specific Programs	1,820,969	1,937,176	979,018	1,148,330
Investment Income	55,348	50,035	31,662	16,768
Miscellaneous	456,890	341,810	549,757	674,708
Gain on Sale of Capital Assets	387	0	0	0
<i>Total Governmental Activities</i>	<u>14,330,800</u>	<u>14,703,200</u>	<u>14,050,258</u>	<u>14,436,452</u>
<i>Business-Type Activities</i>				
Investment Income	0	2,846	1,911	1,134
Miscellaneous	403,064	118,047	121,841	180,571
Gain on Sale of Capital Assets	0	0	0	0
<i>Total Business-Type Activities</i>	<u>403,064</u>	<u>120,893</u>	<u>123,752</u>	<u>181,705</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>14,733,864</u>	<u>14,824,093</u>	<u>14,174,010</u>	<u>14,618,157</u>
<i>Transfers</i>				
Governmental Activities	(16,423)	(14,352)	(14,189)	(20,829)
Business-Type Activities	16,423	14,352	14,189	20,829
<i>Change in Net Position</i>				
Governmental Activities	(2,915,079)	(1,215,652)	(2,096,637)	(163,497)
Business-Type Activities	<u>157,485</u>	<u>(483,986)</u>	<u>(649,296)</u>	<u>468,754</u>
<i>Total Primary Government Change in Net Position</i>	<u>(\$2,757,594)</u>	<u>(\$1,699,638)</u>	<u>(\$2,745,933)</u>	<u>\$305,257</u>

2014	2015	2016	2017	2018	2019
865,677	861,079	884,981	900,267	971,274	971,603
222,750	215,431	213,818	217,816	233,800	235,310
9,863,588	10,333,167	11,500,817	11,706,783	12,260,316	12,420,854
716,139	732,147	2,176,293	2,215,346	2,329,437	2,370,531
894,889	915,798	938,664	930,366	973,611	977,219
262,223	290,727	304,959	375,388	307,338	407,401
915,163	741,609	860,806	875,632	1,148,782	677,305
17,177	14,841	49,563	82,206	195,099	300,227
558,521	706,066	873,248	1,278,970	1,079,252	1,223,546
0	0	13,318	0	0	0
14,316,127	14,810,865	17,816,467	18,582,774	19,498,909	19,583,996
5,142	4	0	0	0	0
189,347	158,380	218,022	187,608	223,403	200,029
0	0	0	0	30,900	0
194,489	158,384	218,022	187,608	254,303	200,029
14,510,616	14,969,249	18,034,489	18,770,382	19,753,212	19,784,025
(25,443)	(11,832)	(28,534)	(35,579)	(28,642)	(28,649)
25,443	11,832	28,534	35,579	28,642	28,649
(790,616)	(1,515,231)	(2,100,648)	(1,473,268)	(3,578,877)	6,577,640
483,594	697,556	340,511	(169,858)	(23,434)	(894,676)
(\$307,022)	(\$817,675)	(\$1,760,137)	(\$1,643,126)	(\$3,602,311)	\$5,682,964

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

	2010	2011	2012	2013
General Fund				
Nondisposable	\$220,157	\$252,251	\$261,459	\$258,593
Committed	197,064	159,667	110,387	114,900
Assigned	32,505	46,264	14,607	0
Unassigned (Deficit)	1,133,784	1,334,086	(520,457)	1,703,062
Total General Fund	1,583,510	1,792,268	(134,004)	2,076,555
All Other Governmental Funds				
<i>Unreserved, Undesignated, Reported in:</i>				
Nondisposable	19,740	44,927	53,611	90,404
Restricted	1,134,928	1,636,977	1,202,380	2,409,387
Assigned	5,765	5,765	5,765	5,765
Unassigned (Deficit)	(1,942,241)	(2,216,810)	(2,695,504)	(115,987)
Total All Other Governmental Funds	(781,808)	(529,141)	(1,433,748)	2,389,569
Total Governmental Funds	<u>\$801,702</u>	<u>\$1,263,127</u>	<u>(\$1,567,752)</u>	<u>\$4,466,124</u>

2014	2015	2016	2017	2018	2019
\$248,463	\$261,226	\$255,045	\$274,376	\$508,499	\$473,492
87,271	51,286	34,567	45,329	54,278	145,715
0	0	18,453	14,853	11,420	131,006
1,948,943	2,663,924	3,369,441	4,975,561	4,256,839	4,335,761
2,284,677	2,976,436	3,677,506	5,310,119	4,831,036	5,085,974
110,275	90,886	78,331	58,844	178,409	211,833
2,203,639	2,356,673	4,493,423	5,919,152	5,096,903	4,662,336
5,765	5,765	5,765	5,765	5,765	5,765
(52,204)	(415,703)	0	0	0	0
2,267,475	2,037,621	4,577,519	5,983,761	5,281,077	4,879,934
\$4,552,152	\$5,014,057	\$8,255,025	\$11,293,880	\$10,112,113	\$9,965,908

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

	2010	2011	2012	2013
Revenues				
Property Taxes	\$1,162,849	\$1,132,782	\$1,088,740	\$1,115,022
Municipal Income Taxes	10,599,088	10,526,861	10,851,650	11,177,609
Other Taxes	230,591	207,975	238,930	243,520
Charges for Services	4,081,250	3,957,405	3,997,022	4,501,048
Fines, Licenses and Permits	1,597,242	1,658,779	1,631,754	1,525,476
Intergovernmental	6,506,226	6,682,596	5,175,386	5,827,097
Special Assessments	50,186	34,087	7,558	13,150
Increase in Fair Value	0	0	0	0
Investment Earnings	55,348	50,035	31,662	16,768
Contributions and Donations	0	0	0	0
Miscellaneous	502,048	437,117	647,058	702,684
<i>Total Revenues</i>	<u>24,784,828</u>	<u>24,687,637</u>	<u>23,669,760</u>	<u>25,122,374</u>
Expenditures				
<i>Current:</i>				
General Government	5,856,255	5,604,348	5,766,533	5,449,967
<i>Security of Persons and Property:</i>				
Police	5,617,250	5,332,157	5,437,570	4,983,010
Fire	5,051,759	5,091,470	5,360,909	5,096,719
Transportation	6,090,170	4,838,279	4,292,719	5,575,178
Community Environment	859,783	1,163,349	619,530	525,336
Basic Utilities Services	843,424	685,053	892,274	756,499
Leisure Time Activities	783,079	746,962	740,641	492,124
Capital Outlay	1,277,088	576,632	3,172,838	445,986
<i>Debt Service:</i>				
Principal Retirement	1,164,204	264,081	175,691	438,596
Interest and Fiscal Charges	134,923	118,684	116,222	112,800
Issuance Costs	0	0	0	156,699
<i>Total Expenditures</i>	<u>27,677,935</u>	<u>24,421,015</u>	<u>26,574,927</u>	<u>24,032,914</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,893,107)</u>	<u>266,622</u>	<u>(2,905,167)</u>	<u>1,089,460</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	23,339	0	25,832	41,696
Refunding Bonds Issues	0	0	0	4,850,000
Issuance of General Obligation Bonds	0	0	0	0
Premium on General Obligation Bonds	0	0	0	31,481
Issuance of Lease - Purchase Agreement	0	0	0	0
Issuance of Notes	0	0	0	0
Proceeds from Loan	0	0	0	0
Inception of Capital Lease	42,285	209,155	62,645	42,068
Transfers In	2,884,584	2,503,682	1,965,487	2,396,777
Transfers Out	(2,901,007)	(2,518,034)	(1,979,676)	(2,417,606)
<i>Total Other Financing Sources (Uses)</i>	<u>49,201</u>	<u>194,803</u>	<u>74,288</u>	<u>4,944,416</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,843,906)</u>	<u>\$461,425</u>	<u>(\$2,830,879)</u>	<u>\$6,033,876</u>
Debt Service as a Percentage of Noncapital Expenditures	5.3%	1.6%	1.3%	2.5%

2014	2015	2016	2017	2018	2019
\$1,075,485	\$1,077,820	\$1,088,547	\$1,130,743	\$1,197,651	\$1,203,759
11,303,794	12,109,853	14,148,768	15,173,267	15,424,214	16,170,025
262,223	290,727	304,959	375,388	307,338	407,401
5,255,945	5,423,454	5,138,328	5,555,170	7,862,987	9,123,404
1,734,819	1,844,592	1,917,514	1,990,345	3,908,580	1,158,374
3,465,617	4,237,598	3,531,008	3,765,473	4,277,837	4,521,163
3,752	5,863	11,566	30,676	20,615	2,046
0	0	0	0	0	29,431
17,177	14,841	49,563	82,206	195,099	270,813
0	0	26,900	1,310	14,567	85,369
767,139	701,553	877,828	1,278,970	1,079,252	1,223,546
23,885,951	25,706,301	27,094,981	29,383,548	34,288,140	34,195,331
5,202,316	5,483,348	5,589,191	5,941,369	6,414,195	6,882,988
5,072,888	4,888,702	5,514,183	5,675,008	6,074,087	7,447,345
5,171,591	4,923,945	5,194,391	5,584,702	5,742,723	6,187,289
5,584,486	6,718,751	7,495,984	7,618,673	9,775,658	10,895,234
299,055	146,428	94,711	121,045	45,526	472,525
1,101,188	907,781	929,540	904,387	1,731,054	1,038,883
613,047	618,742	690,016	738,995	780,745	821,085
587,718	985,259	1,145,498	926,172	1,106,668	1,032,446
388,174	728,014	576,503	972,143	1,204,417	1,254,179
173,042	181,383	189,523	315,508	311,543	269,019
0	6,928	71,950	61,187	0	16,031
24,193,505	25,589,281	27,491,490	28,859,189	33,186,616	36,317,024
(307,554)	117,020	(396,509)	524,359	1,101,524	(2,121,693)
0	16,559	40,128	650	85,844	5,197
0	0	0	0	0	0
0	260,000	3,436,417	2,065,000	297,889	1,391,000
0	5,234	102,175	69,187	0	112,440
0	0	0	0	0	495,500
300,000	0	0	0	0	0
100,000	0	0	0	0	0
19,025	74,924	87,291	415,238	3,025	0
1,610,036	1,691,615	1,342,353	1,398,490	1,644,833	2,119,601
(1,635,479)	(1,703,447)	(1,370,887)	(1,434,069)	(1,673,475)	(2,148,250)
393,582	344,885	3,637,477	2,514,496	358,116	1,975,488
\$86,028	\$461,905	\$3,240,968	\$3,038,855	\$1,459,640	(\$146,205)
2.5%	3.8%	3.3%	4.9%	5.0%	4.6%

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

Collection Year	Real Property		Tangible Personal Property		Tangible Personal Property					
	Assessed Value		Public Utility		General Business		Total		Ratio	Direct Rate
	Residential/Agricultural/ Commercial/Industrial	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2010	\$397,696,220	\$1,136,274,914	\$17,742,500	\$20,161,932	\$1,250,990	\$20,015,840	\$416,689,710	\$1,176,452,686	35.42%	3.20
2011	390,798,540	1,116,567,257	18,993,540	21,583,568	0	0	409,792,080	1,138,150,825	36.01%	3.20
2012	383,333,450	1,095,238,429	20,775,130	23,608,102	0	0	404,108,580	1,118,846,531	36.12%	3.20
2013	382,797,100	1,093,706,000	21,039,510	23,908,534	0	0	403,836,610	1,117,614,534	36.13%	3.20
2014	373,143,320	1,066,123,771	22,222,520	25,252,864	0	0	395,365,840	1,091,376,635	36.23%	3.20
2015	367,212,160	1,049,177,600	22,622,080	25,706,909	0	0	389,834,240	1,074,884,509	36.27%	3.20
2016	372,366,600	1,063,904,571	23,142,100	26,297,841	0	0	395,508,700	1,090,202,412	36.28%	3.20
2017	387,403,970	1,106,868,485	22,280,280	25,318,500	0	0	409,684,250	1,132,186,985	36.19%	3.20
2018	394,846,980	1,128,134,228	31,781,860	36,115,750	0	0	426,628,840	1,164,249,978	36.64%	3.20
2019										

Source: Ross County Auditor

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

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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Direct Tax Rate:</u>										
City of Chillicothe Millage										
General Operating	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
<i>Total City Direct Rate Millage</i>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>	<u>3.20</u>
<u>Overlapping Rates by Taxing District:</u>										
Ross County Millage										
Operating	11.70	12.50	12.50	12.50	12.50	12.50	12.80	12.70	13.70	13.70
<i>Total County Millage</i>	<u>11.70</u>	<u>12.50</u>	<u>12.50</u>	<u>12.50</u>	<u>12.50</u>	<u>12.50</u>	<u>12.80</u>	<u>12.70</u>	<u>13.70</u>	<u>13.70</u>
Chillicothe City School District Millage										
Operating	46.20	46.20	46.20	46.20	53.30	53.40	50.20	50.10	49.90	46.20
Debt Service	4.47	4.80	4.80	4.80	5.80	5.80	8.79	7.90	7.90	7.40
<i>Total School Millage</i>	<u>50.67</u>	<u>51.00</u>	<u>51.00</u>	<u>51.00</u>	<u>59.10</u>	<u>59.20</u>	<u>58.99</u>	<u>58.00</u>	<u>57.80</u>	<u>53.60</u>
Other Millage										
Operating	4.80	5.80	5.80	5.80	5.80	5.80	6.30	6.70	6.30	6.30
<i>Total Other Millage</i>	<u>4.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>6.30</u>	<u>6.70</u>	<u>6.30</u>	<u>6.30</u>
<i>Total Direct and Overlapping Millage</i>	<u><u>70.37</u></u>	<u><u>72.50</u></u>	<u><u>72.50</u></u>	<u><u>72.50</u></u>	<u><u>80.60</u></u>	<u><u>80.70</u></u>	<u><u>81.29</u></u>	<u><u>80.60</u></u>	<u><u>81.00</u></u>	<u><u>76.80</u></u>

Source: Ross County Auditor

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

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

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

Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections (2)	Percent of Total Tax Collections To Tax Levy	Total Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2010	\$1,294,281	\$1,256,523	97.08%	\$37,818	\$1,294,341	100.00%	\$64,742	5.00%
2011	1,272,921	1,210,720	95.11%	51,912	1,262,632	99.19%	41,513	3.26%
2012	1,253,115	1,205,570	96.21%	28,702	1,234,272	98.50%	44,015	3.51%
2013	1,252,173	1,215,108	97.04%	29,323	1,244,431	99.38%	38,815	3.10%
2014	1,224,221	1,174,894	95.97%	28,692	1,203,586	98.31%	50,917	4.16%
2015	1,205,250	1,175,627	97.54%	34,804	1,210,431	100.43%	50,212	4.17%
2016	1,228,868	1,186,274	96.53%	44,329	1,230,603	100.14%	60,414	4.92%
2017	1,275,881	1,224,152	95.95%	49,437	1,273,589	99.82%	47,670	3.74%
2018	1,333,292	1,284,296	96.33%	56,811	1,341,107	100.59%	55,005	4.13%
2019	1,353,155	1,300,862	96.14%	46,842	1,347,704	99.60%	58,160	4.30%

Source: Ross County Auditor

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

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

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate and PU-PP Tax
2019 and 2010

2019		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$30,951,770	7.13%
Chillicothe TK Owner LLC	6,238,750	1.44%
Columbia Gas of Ohio	4,924,460	1.13%
Chillicothe Mall Inc.	4,270,890	0.98%
Menard Inc.	2,839,700	0.65%
Central Center LTD	2,814,270	0.65%
Zane Plaza LLC	2,538,820	0.58%
Rural King Realty, LLC	2,310,010	0.53%
Sam's Real Estate Business	2,222,700	0.51%
National Church Residence	2,129,090	0.49%
Total	\$61,240,460	14.11%
Total Assessed Valuation	\$434,027,460	
2010		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$18,160,380	4.37%
Columbus Southern Power	15,772,830	3.80%
Chillicothe Mall Inc.	4,220,620	1.02%
DDR Chillicothe LLC	4,053,210	0.98%
Central Center LTD	3,101,500	0.75%
Pittsburgh GlassWorks, LLC	2,911,100	0.70%
Sam's Real Estate Business	2,629,020	0.63%
Zane Plaza LLC	2,434,090	0.59%
Chillicothe Telephone	2,312,900	0.56%
Kmart Corporation	2,311,240	0.56%
Total	\$57,906,890	13.94%
Total Assessed Valuation	\$415,438,720	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2019 and 2010 collections were based.

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

<u>TAX YEAR</u>	<u>TAX RATE</u>	<u>TOTAL TAX COLLECTED</u>	<u>TAXES FROM WITHHOLDING</u>	<u>PERCENTAGE OF TAXES FROM WITHHOLDING</u>	<u>TAXES FROM NET PROFITS</u>	<u>PERCENTAGE OF TAXES FROM NET PROFITS</u>	<u>TAXES FROM INDIVIDUALS</u>	<u>PERCENTAGE OF TAXES FROM INDIVIDUALS</u>
2010	1.60%	\$10,669,085	\$8,626,375	80.85%	\$1,301,488	12.20%	\$741,222	6.95%
2011	1.60%	10,824,546	8,718,614	80.54%	1,347,319	12.45%	758,613	7.01%
2012	1.60%	11,010,045	9,033,890	82.05%	1,143,223	10.38%	832,932	7.57%
2013	1.60%	11,244,828	9,032,367	80.32%	1,341,249	11.93%	871,212	7.75%
2014	1.60%	11,093,640	9,051,918	81.60%	1,159,502	10.45%	882,220	7.95%
2015	1.60%	11,644,732	9,313,648	79.98%	1,372,129	11.78%	958,955	8.24%
2016	2.00%	14,485,410	11,895,696	82.12%	1,634,125	11.28%	955,589	6.60%
2017	2.00%	15,251,845	12,176,357	79.84%	1,833,424	12.02%	1,242,064	8.14%
2018	2.00%	15,512,310	12,549,230	80.90%	1,713,317	11.04%	1,249,763	8.06%
2019	2.00%	15,777,897	12,484,864	79.13%	1,997,316	12.66%	1,295,717	8.21%

Source: City Income Tax Department

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

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

YEAR	Governmental Activities					Business-Type Activities					PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	OPWC LOANS	LONG TERM NOTES	LOANS	CAPITAL LEASES	GENERAL OBLIGATION BONDS	MORTGAGE REVENUE BONDS	LONG TERM NOTES	CAPITAL LEASES	TOTAL DEBT		
2010	\$660,000	\$50,450	\$0	\$0	\$107,864	\$1,510,000	\$4,615,000	\$0	\$0	\$6,943,314	1.48%	\$317
2011	450,000	37,838	0	0	270,679	1,415,000	3,520,000	0	0	5,693,517	1.22%	260
2012	355,000	25,225	0	0	258,451	1,320,000	2,390,000	2,441,000	0	6,789,676	1.45%	310
2013	4,850,000	12,613	0	0	223,699	1,670,000	1,215,000	2,441,000	15,011	10,427,323	2.23%	476
2014	4,550,000	0	300,000	100,000	167,163	1,150,000	0	2,441,000	11,939	8,720,102	1.83%	398
2015	4,523,209	0	0	75,000	154,073	3,231,255	0	0	8,644	7,992,181	1.64%	368
2016	7,604,636	0	0	50,000	136,767	2,685,493	0	0	5,415	10,482,311	2.08%	479
2017	8,894,053	0	0	25,000	423,454	2,134,732	0	0	1,323	11,478,562	2.29%	534
2018	8,110,851	0	0	0	301,892	1,578,971	0	0	0	9,991,714	1.99%	456
2019	8,425,997	0	0	0	705,245	1,828,967	0	0	5,628	10,965,837	2.00%	505

Source: City Auditor's Office

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

YEAR	POPULATION (1)	ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (2)	GROSS BONDED DEBT (3)	RATIO OF GROSS BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	GROSS BONDED DEBT PER CAPITA
2010	21,901	\$1,176,452,686	\$6,785,000	0.58%	\$310
2011	21,901	1,138,150,825	5,385,000	0.47%	246
2012	21,901	1,118,846,531	4,065,000	0.36%	186
2013	21,901	1,117,614,534	7,735,000	0.69%	353
2014	21,899	1,091,376,635	5,700,000	0.52%	260
2015	21,738	1,074,884,509	7,754,464	0.72%	357
2016	21,901	1,090,202,412	10,290,129	0.94%	470
2017	21,499	1,132,186,985	11,028,785	0.97%	513
2018	21,901	1,164,249,978	9,689,822	0.83%	442
2019	21,717	1,178,078,214	10,254,964	0.87%	472

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, 2019

JURISDICTION	GOVERNMENTAL ACTIVITIES DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY (1)	AMOUNT APPLICABLE TO CITY
DIRECT - CITY OF CHILLICOTHE			
CAPITAL LEASES	\$705,245	100.00%	\$705,245
GENERAL OBLIGATION BONDS	8,425,997	100.00%	8,425,997
TOTAL DIRECT DEBT	9,131,242		9,131,242
OVERLAPPING			
ROSS COUNTY	12,365,344	31.03%	3,836,966
CHILLICOTHE CITY SCHOOLS	37,964,495	92.01%	34,931,132
UNION-SCIOTO LOCAL SCHOOLS	705,103	17.25%	121,637
SOUTHEASTERN LOCAL SCHOOLS	817,538	1.64%	13,408
SCIOTO TOWNSHIP	805,938	83.10%	669,735
SPRINGFIELD TOWNSHIP	85,336	4.08%	3,482
TOTAL OVERLAPPING DEBT	52,743,754		39,576,360
TOTAL	\$61,874,996		\$48,707,602

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

	2010	2011	2012	2013
Total Assessed Property Value	<u>\$416,689,710</u>	<u>\$409,792,080</u>	<u>\$404,108,580</u>	<u>\$403,836,610</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>43,752,420</u>	<u>43,028,168</u>	<u>42,431,401</u>	<u>42,402,844</u>
Debt Outstanding:				
General Obligation Bonds	660,000	450,000	355,000	4,850,000
General Obligation Bonds - Enterprise	1,510,000	1,415,000	1,320,000	1,670,000
General Obligation Revenue Bonds	4,615,000	3,520,000	2,390,000	1,215,000
OPWC Loans	50,450	37,838	25,225	12,613
Loan Payable	0	0	0	0
Notes Payable	<u>4,400,000</u>	<u>8,341,000</u>	<u>7,681,000</u>	<u>2,441,000</u>
Total Gross Indebtedness	11,235,450	13,763,838	11,771,225	10,188,613
Less:				
Notes Payable from Governmental Fund Revenues	4,400,000	5,100,000	4,640,000	0
Notes Payable from Enterprise Fund Revenues	0	3,241,000	3,041,000	2,441,000
Revenue Bonds Payable from Enterprise Fund Revenues	4,615,000	3,520,000	2,390,000	1,215,000
G.O. Bonds Payable from Enterprise Fund Revenues	1,510,000	1,415,000	1,320,000	1,670,000
OPWC Loan Payable from Governmental Fund Revenues	50,450	37,838	25,225	12,613
Loan Payable from Governmental Fund Revenues	0	0	0	0
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>643,354</u>	<u>433,354</u>	<u>338,354</u>	<u>4,833,354</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$43,109,066</u>	<u>\$42,594,814</u>	<u>\$42,093,047</u>	<u>\$37,569,490</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.53%	98.99%	99.20%	88.60%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$22,917,934</u>	<u>\$22,538,564</u>	<u>\$22,225,972</u>	<u>\$22,211,014</u>
Total Gross Indebtedness	11,235,450	13,763,838	11,771,225	10,188,613
Less:				
Notes Payable from Governmental Fund Revenues	4,400,000	5,100,000	4,640,000	0
Notes Payable from Enterprise Fund Revenues	0	3,241,000	3,041,000	2,441,000
Revenue Bonds Payable from Enterprise Fund Revenues	4,615,000	3,520,000	2,390,000	1,215,000
G.O. Bonds Payable from Enterprise Fund Revenues	1,510,000	1,415,000	1,320,000	1,670,000
OPWC Loan Payable from Governmental Fund Revenues	50,450	37,838	25,225	12,613
Loan Payable from Governmental Fund Revenues	0	0	0	0
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>643,354</u>	<u>433,354</u>	<u>338,354</u>	<u>4,833,354</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$22,274,580</u>	<u>\$22,105,210</u>	<u>\$21,887,618</u>	<u>\$17,377,660</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.19%	98.08%	98.48%	78.24%

Source: City Financial Records

2014	2015	2016	2017	2018	2019
<u>\$395,365,840</u>	<u>\$389,834,240</u>	<u>\$395,508,700</u>	<u>\$409,684,250</u>	<u>\$426,628,840</u>	<u>\$434,027,460</u>
41,513,413	40,932,595	41,528,414	43,016,846	44,796,028	45,572,883
4,550,000	4,495,000	7,479,813	8,715,822	7,958,881	8,187,848
1,150,000	3,170,000	2,635,000	2,095,000	1,550,000	1,749,000
0	0	0	0	0	0
0	0	0	0	0	0
100,000	75,000	50,000	25,000	0	0
2,741,000	0	0	0	0	0
8,541,000	7,740,000	10,164,813	10,835,822	9,508,881	9,936,848
300,000	0	0	0	0	0
2,441,000	0	0	0	0	0
0	0	0	0	0	0
1,150,000	3,170,000	2,635,000	2,095,000	1,550,000	1,749,000
0	0	0	0	0	0
100,000	75,000	50,000	25,000	0	0
16,646	16,646	16,646	16,646	110,707	232,642
4,533,354	4,478,354	7,463,167	8,699,176	7,848,174	7,955,206
<u>\$36,980,059</u>	<u>\$36,454,241</u>	<u>\$34,065,247</u>	<u>\$34,317,670</u>	<u>\$36,947,854</u>	<u>\$37,617,677</u>
89.08%	89.06%	82.03%	79.78%	82.48%	82.54%
<u>\$21,745,121</u>	<u>\$21,440,883</u>	<u>\$21,752,979</u>	<u>\$22,532,634</u>	<u>\$23,464,586</u>	<u>\$23,871,510</u>
8,541,000	7,740,000	10,164,813	10,835,822	9,508,881	9,936,848
300,000	0	0	0	0	0
2,441,000	0	0	0	0	0
0	0	0	0	0	0
1,150,000	3,170,000	2,635,000	2,095,000	1,550,000	1,749,000
0	0	0	0	0	0
100,000	75,000	50,000	25,000	0	0
16,646	16,646	16,646	16,646	110,707	232,642
4,533,354	4,478,354	7,463,167	8,699,176	7,848,174	7,955,206
<u>\$17,211,767</u>	<u>\$16,962,529</u>	<u>\$14,289,812</u>	<u>\$13,833,458</u>	<u>\$15,616,412</u>	<u>\$15,916,304</u>
79.15%	79.11%	65.69%	61.39%	66.55%	66.67%

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	
2010	\$4,439,150	\$2,863,090	\$1,576,060	\$1,050,000	\$226,417	1.23
2011	4,518,780	3,919,286	599,494	1,095,000	184,418	0.47
2012	3,749,394	2,770,143	979,251	1,130,000	147,188	0.77
2013	4,467,383	2,976,961	1,490,422	1,175,000	104,813	1.16
2014	4,343,590	3,056,584	1,287,006	1,215,000	60,750	1.01
2015	4,389,716	2,392,092	1,997,624	0	0	0.00
2016	4,276,662	2,921,545	1,355,117	0	0	0.00
2017	4,345,361	3,200,873	1,144,488	0	0	0.00
2018	4,421,534	3,349,185	1,072,349	0	0	0.00
2019	4,382,532	4,027,662	354,870	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)
2010	21,901	\$468,528,093	\$21,393	40.0	3,118	10.8%	\$416,689,710
2011	21,901	468,528,093	21,393	40.0	2,905	8.7%	409,792,080
2012	21,901	468,528,093	21,393	40.0	3,051	8.2%	404,108,580
2013	21,901	468,528,093	21,393	40.0	2,891	8.5%	403,836,610
2014	21,899	476,872,624	21,776	40.0	3,073	6.3%	395,365,840
2015	21,738	486,822,510	22,395	40.0	3,199	5.4%	389,834,240
2016	21,901	504,358,129	23,029	40.0	3,344	5.2%	395,508,700
2017	21,499	502,173,375	23,358	43.0	3,174	4.9%	409,684,250
2018	21,901	503,241,123	22,978	42.5	3,473	6.6%	426,628,840
2019	21,717	549,374,949	25,297	41.6	3,213	4.5%	434,027,460

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

2019			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Pixelle Paper Company	Paper Industry	976	13.50%
Wal-Mart	Retail	716	9.90%
Chillicothe City Schools	Education	656	9.07%
Ross County	County Government	645	8.92%
Ohio University-Chillicothe	College Campus	414	5.72%
City of Chillicothe	City Government	296	4.09%
Menards	Retail	250	3.46%
Lowe's	Retail	249	3.44%
Charter Communications	Cable TV/Internet	133	1.84%
Horizon Family of Companies	Communications	109	1.51%
Total		4,444	61.45%
Total Employment Within the City		7,232	100.00%

2010			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,337	4.44%
Ohio University-Chillicothe	College Campus	574	1.91%
Ross County	County Government	529	1.76%
Wal-Mart	Retail	360	1.20%
Chillicothe City Schools	Education	359	1.19%
City of Chillicothe	City Government	279	0.93%
Horizon Family of Companies	Communications	210	0.70%
Lowe's	Retail	181	0.60%
Adelphia	Cable TV/Internet	99	0.33%
American Electric Power	Utility Center	19	0.06%
Total		3,947	13.11%
Total Employment Within the City		30,100	100.00%

Source: City Income Tax Department (number of employees obtained from W2's)

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Square Footage Occupied	39,577	39,577	39,577	39,577	39,577	39,577	39,577	39,577	39,577	39,577
Administrative Vehicles	0	0	0	0	0	0	0	0	0	1
Engineering Vehicles	9	9	9	9	9	8	7	3	6	3
Municipal Court Vehicles	2	2	2	2	2	3	4	2	3	3
Service Department Vehicles	34	34	35	34	36	40	43	42	34	37
Police										
Stations	1	2	2	2	2	2	2	2	2	2
Square Footage of Building	29,090	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392
Vehicles	26	33	33	34	32	38	39	31	39	35
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Building	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476
Vehicles	27	27	28	28	27	26	26	19	20	15
Recreation										
Number of Parks	13	13	13	13	13	13	13	13	13	14
Number of Pools	1	1	1	1	1	1	1	1	1	3
Number of Tennis Courts	4	4	4	4	4	4	4	4	4	4
Number of Baseball Diamonds	13	13	13	13	13	13	13	13	13	13
Number of Tot Lots	4	4	4	4	4	4	4	6	6	6
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	21	21	22	22	23	25	25	26	20	25
Volleyball Courts	0	0	0	0	0	0	0	3	3	3
Floodwall										
Miles	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Transportation										
Square Footage of Building	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855
Vehicles	21	23	16	20	20	24	23	25	25	22
Water Department										
Water Lines (miles)	133	136	136	136	136	136	136	137	137	137
Vehicles	21	21	19	19	19	21	21	16	18	18
Sewer Department										
Sewer Lines/Storm Sewer (miles)	103	105	105	106	106	106	106	106	106	106
Vehicles	28	29	25	26	26	14	14	21	22	22

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Council	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Auditor	5.5	4.5	4.5	4.5	4.5	4.5	5	4.5	3.5	5
Income Tax	3	3	2	2	3	3	3	3	3	3
Treasurer	1	1	1	1	1	1	1	1	1	0.5
Mayor	4.5	4.5	4.5	4.5	3.5	3.5	3.5	4	4	5
Law Director	6.5	5.5	6	5	5	5	6	6	6	6
Engineering	7	6	6	6	6	5	5	5.5	6	6
Civil Service	2.5	2.5	2.5	2.5	0	0	1.5	1.5	0	0
Municipal Court	23.5	23	21.5	23	19	22	22	20.5	20.5	22.5
Security of Persons and Property										
Police	50	51	50.5	48	44	46	53	53	57	56
Fire	42	47	47	44	43	39	43	45	49	49
School Crossing Guards	0	0	0	0	0	0	0	0	0	0
Traffic Control-Meters	0	0	0	0	0	0	1	1	1	1
Leisure Time Activities										
Parks	4	4	4	1	1	1.5	3	3	3.5	6.5
Recreation	3	3	3	3	5	3.5	4	5	3.5	0
Transportation										
Service	22	20	20	18	17	17	14	24	24.5	23
Transit	23	23	23	31	30.5	31	33	41	34.5	33.5
Basic Utility Services										
Water	25.5	28.5	28	27	26.5	26	26.5	25.5	27	23
Sewer	16.5	17	16.5	16	15	16	15	15	16	20
Totals:	<u>245</u>	<u>249</u>	<u>245.5</u>	<u>242</u>	<u>229.5</u>	<u>229.5</u>	<u>245</u>	<u>264</u>	<u>265.5</u>	<u>265.5</u>

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	2010	2011	2012	2013
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	103	125	103	107
Number of Resolutions Passed	19	20	22	19
Number of Planning Commission Docket Items	10	10	12	13
Zoning Board of Appeals Docket Items	32	20	21	19
Design & Review Board Docket Items	27	32	37	41
<i>Finance Department</i>				
Number of Checks/Vouchers Issued	5,185	5,197	5,482	4,853
Amount of Checks Written	\$34,508,413	\$38,000,816	\$43,661,426	\$44,504,621
Interest Earnings for fiscal year (cash basis)	\$59,358	\$54,710	\$34,509	\$17,995
Number of Receipts Issued	2,491	2,194	2,049	2,047
Agency Ratings - Moody's Financial Services	A2	A2	A2	A2
General Fund Receipts (cash basis)	\$16,075,288	\$18,270,177	\$17,611,705	\$18,020,422
General Fund Expenditures (cash basis)	\$17,039,755	\$18,494,994	\$20,203,210	\$18,698,612
General Fund Cash Balances	\$2,587,572	\$2,772,711	\$1,022,988	\$1,191,040
<i>Income Tax Department</i>				
Number of Individual Returns	6,715	12,665	8,180	7,116
Amount of Business Returns	2,141	2,888	2,338	2,177
Number of Business Withholding Accounts	1,862	1,968	2,087	2,206
Amount of Penalties and Interest Collected	\$63,209	\$49,456	\$45,888	\$34,077
Annual Number of Corporate Withholding Forms Processed	11,530	11,835	11,937	11,877
Annual Number of Balance Due Statements Forms Processed	1,985	1,683	1,662	1,562
Annual Number of Estimated Payment Forms Processed	1,892	2,053	2,094	1,823
Annual Number of Reconciliations of Withholding Processed	1,347	1,526	1,360	1,658
<i>Engineering Department</i>				
Dollar Amount of Construction Overseen by Engineer	\$700,000	\$700,000	\$500,000	\$1,500,000
<i>Municipal Court</i>				
Number of Civil Cases	1,568	1,634	1,698	1,384
Amount of Criminal Cases	3,684	4,110	3,590	3,737
Amount of Traffic Cases	8,663	9,023	10,014	8,500
Amount of Small Claims Cases	163	146	155	142

Source: Departments of the City of Chillicothe

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

continued

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

Function/Program	2010	2011	2012	2013
<i>Civil Service</i>				
Number of Police Entry Tests Administered	52	0	56	0
Number of Fire Entry Tests Administered	0	66	0	0
Number of Police Promotional Tests Administered	0	5	4	0
Number of Fire Promotional Tests Administered	1	16	0	14
Number of Hires of Police Officers from Certified Lists	0	4	2	0
Number of Hires of Fire/Medics Officers from Certified Lists	0	8	6	0
Number of Promotions from Police Certified Lists	0	1	2	0
Number of Promotions from Fire Certified Lists	0	6	2	4
<i>Building Department Indicators</i>				
Construction Permits Issued	10	8	10	8
Estimated Value of Construction	\$18,217,008	\$12,635,438	\$22,245,181	\$2,139,000
Number of Permits Issued	901	867	1,099	902
Amount of Revenue Generated from Permits	\$79,257	\$117,985	\$123,461	\$141,653
Number of Contractor Registrations Issued	344	374	270	190
Revenue Generated from Above 1	\$2,764	\$1,970	\$13,500	\$3,291
<i>Police Department</i>				
Total Calls for Service	24,162	24,429	25,457	23,047
Number of Traffic Citations Issued	2,165	3,144	3,277	2,346
Number of Parking Citations Issued (2)	1,134	N/A	N/A	N/A
Number of Criminal Arrests	2,462	2,808	3,414	3,130
Number of Accident Reports Completed	1,251	916	1,189	1,225
DUI Arrests	100	101	97	101
Prisoner costs for room and board	\$369,559	\$0	\$0	\$0
Motor Vehicle Accidents	902	710	843	858
Property Damage Accidents	349	366	346	367
Fatalities from Motor Vehicle Accidents	0	1	3	0
Gasoline Costs of Fleet	\$87,492	\$115,574	\$124,490	\$112,069
DARE Program hours	1,600	1,680	1,600	1,600
<i>Fire Department</i>				
EMS Calls	5,045	5,407	5,079	4,618
Ambulance Billing Collections (net)	\$1,128,158	\$1,224,578	\$1,105,372	\$1,120,547
Fire Calls	777	823	796	704
Fires with Loss	40	54	42	42
Fires with Losses Exceeding \$10K	10	16	19	15
Fire Losses \$	\$2,062,830	\$628,110	\$2,383,260	\$379,250
Fire Safety Inspections	75	75	220	400 plus
Number of Times Mutual Aid Given to Fire	0	0	1	4
Number of Times Mutual Aid Received for Fire	2	0	0	1
Number of Injuries Requiring Medical Attention	19	7	7	2
Fatalities Due to Fire	2	0	0	0

Source: Departments of the City of Chillicothe

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

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

Function/Program	2010	2011	2012	2013
Leisure Time Activities				
<i>Recreation Department</i>				
Recreation Swimming Pool Receipts	\$49,537	\$62,176	\$58,019	\$61,131
Recreation Mens, Women & Chillicothe Leagues Receipts	\$22,572	\$24,775	\$0	\$0
Number of Tree License Issues	20	17	0	8
Amount of Revenue from Tree License	\$500	\$425	\$0	\$200
Total Acreage all Parks	876	876	876	876
Transportation				
<i>Street Construction & State Highway</i>				
Street Sweeper (hours)	950	900	0	950
Cold Patch (hours)	1,700	2,000	0	1,800
Snow and Ice Removal (regular hours)	400	150	221	215
Snow and Ice Removal (overtime hours)	452	332	0	350
Leaf Collection (hours)	2,000	2,000	0	3,000
Downtown Square Repair after Events (hours)	50	50	0	68
Tons of Snow Melting Salt Purchased (Nov-Mar)	692	791	642	721
Cost of Salt Purchased	\$43,973	\$50,201	\$40,754	\$33,357
Basic Utility Services				
<i>Refuse Department</i>				
Refuse Disposal per year (in tons) August through July	8,261	7,599	7,954	7,895
Refuse Disposal cost per year August through July	\$290,000	\$252,335	\$234,749	\$282,233
<i>Water Department (2)</i>				
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	14.48	11.68	11.92	12.40
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	21.71	17.54	17.89	18.61
Total Water Collections Annually (including P&I)	\$4,370,433	\$3,835,549	\$0	\$3,927,993
Number of Active Customers	9,151	9,196	0	9,300
<i>WasteWater Department (3)</i>				
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	11.74	8.58	8.75	9.11
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	17.61	12.84	13.10	13.64
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	901.546	1015.795	874.905	877.677
Tons of Dry Sludge Removed	481.480	291.220	337.440	388.859
Wastewater Calls for Service	250	200	200	250
After Hours Wastewater Calls for Service (hours)	300	250	250	300
Sewer Jet, Vac-all, other services (hours)	1,500	1,500	2,500	3,000

Source: Departments of the City of Chillicothe

(2) In 2010, the City began billing monthly and modified the Water rates to 7.24 per 1st 200 Cu ft (Inside City) and 10.86 per 1st 200 Cu ft (Outside City).

(3) In 2010, the City began billing monthly and modified the Sewer rates to 5.87 per 1st 200 Cu ft (Inside City) and 8.81 per 1st 200 Cu ft (Outside City).

2014	2015	2016	2017	2018	2019
\$71,006	\$61,315	\$77,083	\$87,426	\$82,525	\$78,357
\$0	\$0	\$4,700	\$1,400	\$9,375	\$1,400
13	13	20	17	16	10
\$300	\$325	\$1,425	\$425	\$400	\$250
876	876	876	876	876	877
1,050	900	950	950	800	800
2,080	2,000	2,050	2,050	2,400	2,200
400	850	96	100	856	900
375	877	0	100	650	650
3,500	3,200	3,300	3,300	3,500	3,500
75	70	75	80	70	80
954	950	240	300	950	930
\$66,031	\$79,999	\$11,087	\$19,551	\$43,871	\$40,213
7,548	7,514	7,654	6,799	7,231	7,683
\$268,151	\$281,235	\$286,413	\$254,407	\$251,642	\$295,027
12.40	12.65	12.65	12.65	12.65	12.65
18.61	18.99	18.85	18.99	19.37	18.99
\$4,236,920	\$4,160,214	\$4,407,356	\$4,062,891	\$4,564,948	\$4,224,463
9,360	9,417	10,133	9,455	10,318	10,205
9.11	9.29	9.60	9.60	9.99	10.45
13.64	13.91	14.37	14.37	15.25	15.64
874.301	845.500	738.030	718.670	828.050	679.378
391.840	346.000	373.460	300.060	270.000	270.000
230	109	204	240	260	250
330	142	326	320	340	330
3,500	3,000	3,400	3,200	3,400	3,300

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