

CITY OF CHILlicoTHE
ROSS COUNTY, OHIO
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022



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OHIO AUDITOR OF STATE
KEITH FABER



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Members of City Council
City of Chillicothe
35 South Paint Street
P. O. Box 457
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of the City of Chillicothe, Ross County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Chillicothe is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 31, 2023

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City of Chillicothe
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City of Chillicothe
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Expenditures
U.S. Department of Housing and Urban Development			
<i>Passed through Ohio Department of Development:</i>			
Community Development Block Grants/Entitlement Grants	A-F-19-2AW-1	14.228	\$125,500
Community Development Block Grants/Entitlement Grants	A-F-21-2AW-1	14.228	<u>4,500</u>
<i>Total Community Development Block Grants/Entitlement Grants</i>			<u>130,000</u>
Total U.S. Department of Housing and Urban Development			130,000
U.S. Department of Justice			
<i>Passed through Ohio Office of the Attorney General:</i>			
Crime Victim Assistance	2022-VOCA-134715679	16.575	14,244
Crime Victim Assistance	2023-VOCA-135105421	16.575	<u>8,341</u>
<i>Total Crime Victim Assistance</i>			<u>22,585</u>
<i>Direct:</i>			
Bulletproof Vest Partnership Program	N/A	16.607	5,395
<i>Passed through Integrated Services for Behavioral Health:</i>			
Public Safety Partnership and Community Policing Grants	15JCOPS-21-GG-02431-SPPS	16.710	<u>116,250</u>
Total U.S. Department of Justice			144,230
U.S. Department of Transportation			
<i>Passed through Ohio Department of Transportation:</i>			
Formula Grants for Rural Areas and Tribal Transit Program	OH-2020-005	20.509	3,383,382
<i>Federal Transit Cluster:</i>			
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	096-BABF-22-0100	20.526	<u>2,800</u>
<i>Total Federal Transit Cluster</i>			<u>2,800</u>
<i>Community Transportation Association of America:</i>			
Technical Assistance and Workforce Development	DC-2021-007-00	20.531	<u>75,000</u>
Total U.S. Department of Transportation			3,461,182
U.S. Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	<u>44,374</u>
Total U.S. Department of the Treasury			44,374
U.S. Department of Homeland Security			
<i>Direct:</i>			
Assistance to Firefighters Grant	EMW-2020-FG-11062	97.044	<u>93,348</u>
Total U.S. Department of Homeland Security			<u>93,348</u>
Total Federal Awards			<u><u>\$3,873,134</u></u>

N/A - not applicable - funds received directly from federal government.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

City of Chillicothe
Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Year Ended December 31, 2022

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Chillicothe, Ohio (the City) under programs of the federal government for the year ended December 31, 2022. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following either the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 – Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – Formula Grants for Rural Areas and Tribal Transit Program

Cash receipts from the Ohio Department of Transportation are commingled with State grants and other local monies. It is assumed federal monies are expended first.

Note 5 – Matching Requirements

Certain federal programs require that the City contribute non-federal funds (matching funds) to support the federally-funded programs. The City has complied with the matching requirements. The expenditure of nonfederal matching funds is not included on the schedule.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Ross County, (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2023, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

City of Chillicothe, Ohio

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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Report on Compliance and Other Matters

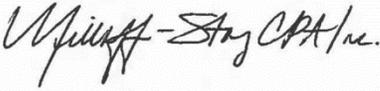
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 30, 2023

**Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Chillicothe's, Ross County, (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City’s compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

City of Chillicothe, Ohio

Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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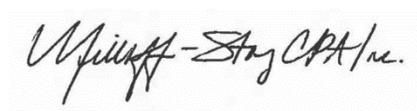
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2023, which contained unmodified opinions on those financial statements, and wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 30, 2023

City of Chillicothe
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2022

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major federal program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal program(s):	Formula Grants for Rural Areas, AL #20.509
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2022-001 – Material Weakness – Financial Statement Presentation

A monitoring system by the City should be in place to prevent or detect misstatements to help ensure the accurate presentation of the City’s financial statements. Errors were identified in the financial statements. An error in the Bus Transit Fund charges for services and salaries materially overstated revenues and expenses. Additionally, in the ARPA fund, revenues and expenses were materially overstated and cash and unearned revenue was materially understated. In the Sewer fund, cash was overstated and expenses were understated. These errors were corrected in the financial statements. Finally, an error in expense classifications led to an immaterial misclassification of expenses in the Safety Levy fund. Correction of this error was waived by the audit team and management. The City should implement monitoring procedures over the financial reporting process to ensure that financial information presented is fairly stated.

Client Response:

See accompanying corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None.



**CITY OF
CHILICOTHE
CITY AUDITOR**

KRISTAL SPETNAGEL

City Auditor

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City of Chillicothe
Corrective Action Plan
2 CFR Section 200.511(c)
For the Year Ended December 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	The City will review Ohio Revised Code for grant reporting requirements. The City will implement a monthly review of corrections.	August 31, 2023	Kristal Spetnagel, City Auditor



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35 South Paint Street • Chillicothe, Ohio 45601



City of Chillicothe
Schedule of Prior Audit Findings
2 CFR Section 200.511(b)
For the Year Ended December 31, 2022

Finding Number	Finding Summary	Status	Additional Information
Finding 2021-001	Material Weakness – Budget to Accounting	Partially	Reissued in Management Letter.
Finding 2021-002	Material Weakness – Financial Statement Presentation	Reissued	Finding 2022-001
Finding 2021-003	Noncompliance – Ohio Revised Code 5705.41(B)	Corrected	



City of Chillicothe, Ohio Annual Comprehensive Financial Report

For the Year Ended December 31, 2022



Kristal Spetnagel
Chillicothe City Auditor

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City of Chillicothe, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022
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CHILICOTHE
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL
City Auditor

June 30, 2023

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

FROM: City Auditor Kristal Spetnagel and Staff

The Auditor's office is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Chillicothe for the year ended December 31, 2022. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2022. 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 Annual Comprehensive 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 2022 basic financial statements were audited by Millhuff-Stang, CPA, Inc. This audit was conducted according to generally accepted auditing standards and *Government Auditing Standards* and included a legal and financial compliance audit, a review of internal controls, and tests of transactions. The Independent Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

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PHONE: 740-775-3955 • FAX: 740-773-4535 • Kristal.spetnagel@chillicotheoh.gov

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35, and 50 approximately 45 miles south of Columbus, Ohio, Chillicothe covers 9.7 square miles and has approximately 22,009 citizens according to the 2022 US Census Bureau estimates. The City has thirteen public parks consisting of 225 acres, six public schools, one parochial school, one charter school, a branch of Ohio University, and two public libraries.

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

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

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

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

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

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

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

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

The City employs approximately 287 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 2022 was 3%.

Other developments of note:

Significant retail development was ongoing throughout the City. During 2022, several new businesses evolved such as, Gemini Nails, Adena Urgent Care, J Salon & Extension Bar, Carters, Victoria's Nail Boutique, Blondie & Brew - Latte Cafe LLC, Ohio Health, Taco Bell (East Main St), Dunkin Donuts, VIBE and Cobia Outdoor. Other industries such as Pixelle Specialty Solutions, in collaboration with JobsOhio, Ohio Southeast Economic Development and Greater Chillicothe & Ross County Development announced an investment of over \$21 million in upgrades and repairs to the number 24 paper machine at the Chilpaco facility. The City of Chillicothe has received several projects built into the budget for 2023, such as stormwater maintenance, Armory improvements, paving and Yoctangee Park upgrades and additions. The new construction from these industries, as well as continuing growth in the community will bring additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

Long-Term Financial Planning

Chillicothe voters passed two independent income tax levies in May of 2015, both of which were for 0.2%. The first is dedicated to the City Street construction, maintenance, and repair while the other is dedicated to safety services. The overall Chillicothe City income tax increased from 1.6% to 2.0% effective January 1, 2016. The levy is aimed at paving the streets of Chillicothe and restoring the safety levy capital account to its full potential, allowing Police and Fire to catch up on needed capital improvements.

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

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

In early 2023, the City began the process of remodeling the Wastewater Treatment Plant. The City received \$8,500,000 in grants from Ohio BUILDS and obtained a loan from the Water Pollution Control Loan Fund in the amount of \$57,322,500. The Clean Water Act requires a dedicated source of revenue for repayment of the loan. The dedicated source of repayment will be from wastewater service charges. The initiation of operation date is estimated to be June 1, 2026 and the date of initial payment will be January 1, 2027.

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 five years and are awarded on a bid basis to the institution having the best bid whenever an investment is to be made. The policy further encourages the City to take advantage of every opportunity to earn interest on other funds, including the float on outstanding checks and funds being held by bond trustees. Interest earned on all investments is designated to the general fund by law. The only exception is for specifically designated trustee funds and borrowed funds for major projects such as those within the Water and Sewer funds.

In addition to its investment policy, the City has various other policies in place as well. For example, the City adopted a formal payroll policy by City Ordinance #75-08 and an identity theft protection policy by City Ordinance #27-09. The City also has a disaster recovery and business continuity plan which is 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. The City adopted Resolution 20-21 approving updates to the City's financial policies and procedures. These changes took effect January 1, 2022.

Budgetary

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

Within each fund and/or department these dollars are maintained, as appropriated. Each department controls its own expenditures/expenses and budgets. Departments can run expense and revenue reports on demand daily to ensure they are in line with the department budget.

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

Internal Controls

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chillicothe for its Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Acknowledgement

This Annual Comprehensive Financial Report for the City of Chillicothe is the 32nd for our City and represents not only a tremendous effort on the part of the Auditor's staff but is indicative of the professionalism of all the people involved. With this report our taxpayers may now better understand the operation of our City and its basic financial structure.

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

data for this report.

I would also like to thank Millhuff-Stang, CPA, Inc. for their efforts. Without their assistance, this project would have been extremely difficult to accomplish and certainly would not have achieved the high level of professionalism exhibited herein.

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

Respectfully yours,

A handwritten signature in blue ink that reads "Kristal Spetnagel". The signature is written in a cursive style with a large initial 'K' and a long, sweeping tail on the 'l'.

Kristal M. Spetnagel
City Auditor

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chillicothe
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

City of Chillicothe, Ohio
Listing of Elected Officials
As of December 31, 2022

Mayor

Luke Feeney
Term Expires 12/31/23

City Council

Joe Gieringer
President
Term Expires 12/31/23

Greg Phillips
1st Ward Council
Term Expires 12/31/23

Kathy Payne
2nd Ward Council
Term Expires 12/31/23

Deidra Nickerson
3rd Ward Council
Term Expires 12/31/23

Terrell Fairrow
4th Ward Council
Term Expires 12/31/23

Allison Henderson
5th Ward Council
Term Expires 12/31/23

Jamie Brown
6th Ward Council
Term Expires 12/31/23

Dustin Proehl
Council at Large
Term Expires 12/31/23

Julie Preston
Council at Large
Term Expires 12/31/23

Anthony Phillips
Council at Large
Term Expires 12/31/23

City Auditor
Kristal Spetnagel
Term Expires 12/31/25

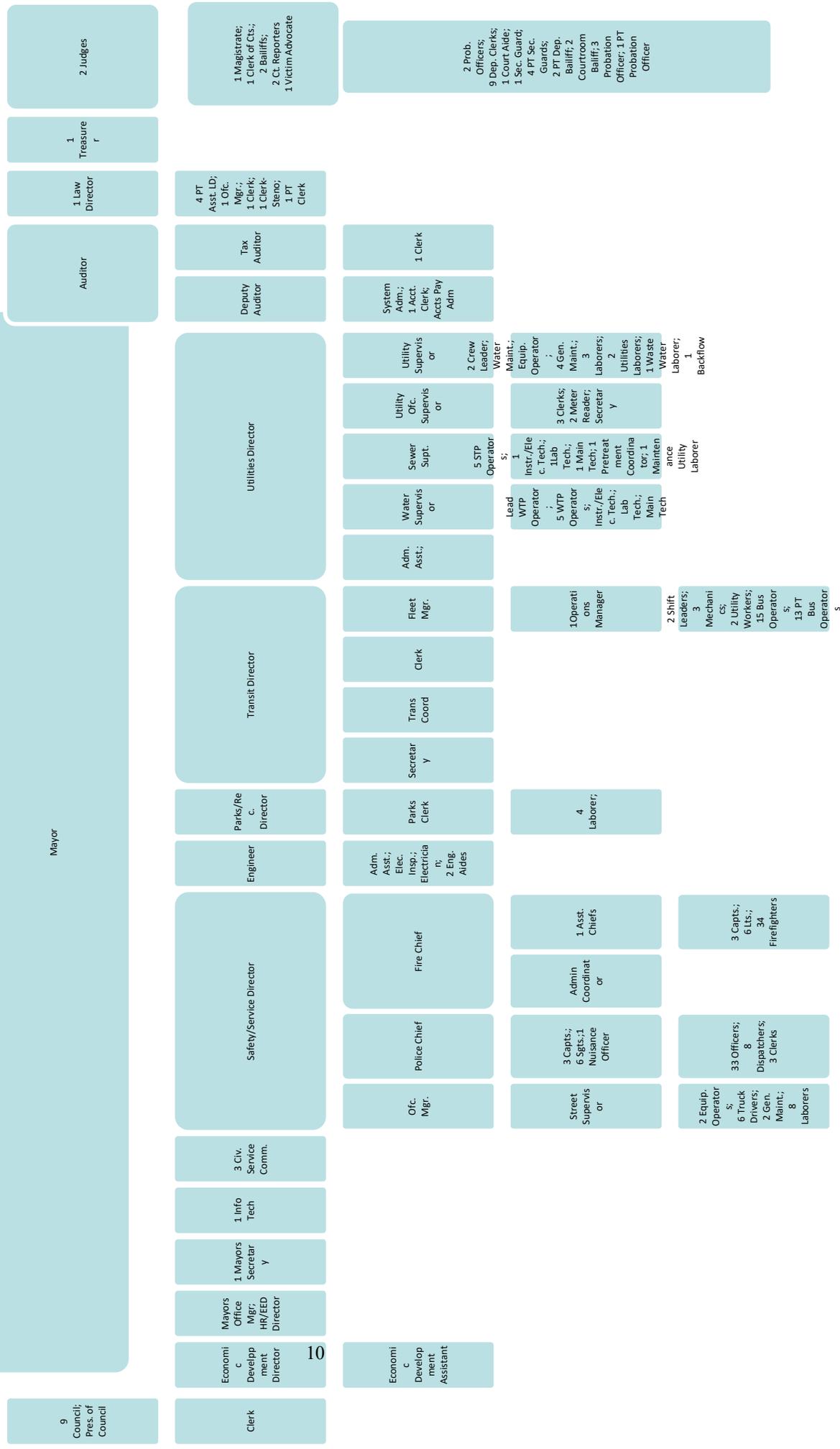
City Treasurer
Jeremy Siberell
Term Expires 12/31/25

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

City of Chillicothe, Ohio
Listing of Appointed Officials
As of December 31, 2022

City Engineer	David Fishel
Utilities Director	Brad Long
Safety/Service Director	Jeffrey Carmen
Parks/Recreation Director	Bill Bonner
Human Resources	Terrill Barnes
Transit Director	Aaron Kennedy
Clerk of Council	Kennedy Moss
Assistant Law Director	John Judkins
Assistant Law Director	Michele Rout
Assistant Law Director	Jason Miller
Assistant Law Director	Benjamin Sigall

GENERAL PUBLIC



City of Chillicothe, Ohio
City Auditor's Staff
As of December 31, 2022

City Auditor	Kristal Spetnagel
Deputy Auditor	Angie Park
Tax Auditor	Julie Parker
System Administrator	Heidi Leasure
Accounts Payable Administrator	Terri Brown
Accounting Clerk	Lisa Downard

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Ross County, (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General, Street Construction Maintenance and Repair, American Rescue Plan Act, ARPA Violent Crimes, and Bus Transit funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the City's proportionate share of the net pension and OPEB liabilities (asset), and the schedules of City contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

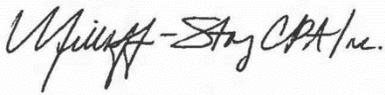
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 30, 2023

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(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, 2022. The purpose of this discussion and analysis is to look at the City's financial performance and discuss pertinent points to better help the reader understand our performance.

Financial Highlights

- The City's total net position increased \$7,060,136; net position of the governmental activities increased \$6,526,328, and net position of the business-type activities increased \$533,808.
- The general fund balance of \$6,957,046 increased \$65,845 or 0.96 percent, from the previous year's balance of \$6,891,201. The general fund experienced an increase in the amount of recognizable income taxes, which was partially offset by a reduction in donations and contributions received during the year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The 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)

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

between governmental activities (reported in the *statement of net position* and the *statement of activities*) and governmental funds in a reconciliation which follows the fund financial statements.

The City maintains 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, American Rescue Plan Act fund, ARPA violent crimes grant, and bus transit fund, which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds – The City maintains two different types of proprietary funds; enterprise funds and internal service funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net position* and the *statement of activities* using the full accrual basis of accounting. The City uses enterprise funds to account for its water and sewer operations. The City has two funds that are considered to be major funds, the water and sewer funds. Internal service funds are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses internal service funds to account for the fuel purchasing and self-insurance programs of the City. Because these services predominately benefit governmental rather than business-type functions, it has been included with governmental activities in the government-wide financial statements.

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

Government-Wide Financial Analysis

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

The City as a Whole

The following two statements reflect the net position of the City as a whole and are divided into the following categories: assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (assets and deferred outflows minus liabilities and deferred inflows), revenues, expenses, and changes in net position.

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$31,842,652	\$25,776,679	\$11,051,101	\$10,868,828	\$42,893,753	\$36,645,507
Capital Assets, Net	41,492,887	41,177,714	33,070,796	33,924,844	74,563,683	75,102,558
<i>Total Assets</i>	<i>73,335,539</i>	<i>66,954,393</i>	<i>44,121,897</i>	<i>44,793,672</i>	<i>117,457,436</i>	<i>111,748,065</i>
Deferred Outflows	8,299,391	5,960,766	757,708	517,078	9,057,099	6,477,844
Liabilities						
Current and Other Liabilities	7,094,814	3,405,420	337,596	316,713	7,432,410	3,722,133
<i>Long-Term Liabilities</i>						
Due Within One Year	1,851,958	1,816,490	451,492	430,288	2,303,450	2,246,778
Other Amounts Due in More Than One Year	6,942,757	8,014,073	1,084,826	1,252,350	8,027,583	9,266,423
Net Pension Liability	18,615,732	23,352,959	1,363,947	2,311,304	19,979,679	25,664,263
Net OPEB Liability	2,680,188	2,750,051	0	0	2,680,188	2,750,051
<i>Total Liabilities</i>	<i>37,185,449</i>	<i>39,338,993</i>	<i>3,237,861</i>	<i>4,310,655</i>	<i>40,423,310</i>	<i>43,649,648</i>
Deferred Inflows	14,786,152	10,439,165	2,384,777	2,276,936	17,170,929	12,716,101
Net Position						
Net Investment in Capital Assets	34,507,767	34,212,897	32,547,979	33,237,984	67,055,746	67,450,881
<i>Restricted for:</i>						
Debt Service	232,332	232,332	0	0	232,332	232,332
Capital Projects	3,679,712	3,758,796	618,466	618,466	4,298,178	4,377,262
Other Purposes	7,061,190	6,815,941	0	0	7,061,190	6,815,941
<i>Permanent Fund</i>						
Expendable	2,378	2,378	0	0	2,378	2,378
Nonexpendable	1,000	1,000	0	0	1,000	1,000
Unrestricted (Deficit)	(15,821,050)	(21,886,343)	6,090,522	4,866,709	(9,730,528)	(17,019,634)
<i>Total Net Position</i>	<i>\$29,663,329</i>	<i>\$23,137,001</i>	<i>\$39,256,967</i>	<i>\$38,723,159</i>	<i>\$68,920,296</i>	<i>\$61,860,160</i>

The net pension liability (NPL) and net other postemployment benefits (OPEB) liability are two of the largest single liabilities reported by the City at December 31, 2022 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net pension/OPEB asset, when applicable, and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB 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

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accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the City's proportionate share of each plan's collective: 1) present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service, 2) minus plan assets available to pay these benefits.

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

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

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

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

Current and other assets of governmental activities increased by \$6,065,973 or 23.53% due to increases in cash and cash equivalents held by the City, in cash and cash equivalents with fiscal agents due to an increase in balances held at the Jefferson Health Plan for the City's self-insurance program, and in income taxes receivable due to an increase in measurable subsequent collections from the prior year. The City saw an increase in net OPEB asset for the year as reported by the Ohio Public Employees Retirement System. Capital assets of the governmental activities increased \$315,173, or 0.77 percent, due to additions exceeding depreciation expense and disposals. Current and other liabilities increased \$3,689,394 due to the recognition of unearned revenue for the year related to unspent American Rescue Plan Act and ARPA violent crimes grant proceeds held at year-end, and due to an increase in accounts and contracts payable. Long-term liabilities decreased \$5,842,938 as a result of a decrease to the estimates for both the net pension and OPEB liabilities and for principal payments on debt.

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Current and other assets of business-type activities increased by \$182,273, or 1.68 percent, as a result of an increase in internal balances and the net OPEB asset, which was partially offset by a decrease in equity in pooled cash and cash equivalents. Capital assets decreased by \$854,048, or 2.52 percent due to depreciation expense and disposals in excess of acquisitions for the year. Current and other liabilities of business-type activities increased by \$20,883, or 6.60 percent, due to an increase in accounts payable and accrued wages and benefits payable, which were partially offset by a reduction in contracts payable. Long-term liabilities decreased by \$1,093,677 as a result of decreases to the estimates for net pension liability and principal payments on debt.

The City's total net position increased from \$61,860,160 at the beginning of the year to \$68,920,296 at the end of the year, a change of \$7,060,136, or 11.41 percent. This increase is the result of an increase in the net position of the governmental activities of \$6,526,328, or 28.21 percent, and an increase in the net position of the business-type activities of \$533,808, or 1.38 percent.

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

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for years 2022 and 2021.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$9,558,203	\$8,419,632	\$7,936,605	\$7,212,607	\$17,494,808	\$15,632,239
Operating Grants and Contributions	5,719,023	6,136,936	0	22,786	5,719,023	6,159,722
Capital Grants and Contributions	252,881	171,935	0	0	252,881	171,935
<i>Total Program Revenues</i>	<i>15,530,107</i>	<i>14,728,503</i>	<i>7,936,605</i>	<i>7,235,393</i>	<i>23,466,712</i>	<i>21,963,896</i>
<i>General Revenues:</i>						
Property Taxes	1,360,281	1,285,342	0	0	1,360,281	1,285,342
Income and Other Taxes	18,736,114	17,799,645	0	0	18,736,114	17,799,645
Unrestricted Grants and Entitlements	950,770	950,315	0	0	950,770	950,315
Unrestricted Contributions and Donations	4,250	19,015	0	0	4,250	19,015
Investment Earnings	35,591	55,972	0	0	35,591	55,972
Gain on Sale of Capital Assets	4,507	36,925	0	6,911	4,507	43,836
Other	267,079	324,512	87,384	101,287	354,463	425,799
<i>Total General Revenues</i>	<i>21,358,592</i>	<i>20,471,726</i>	<i>87,384</i>	<i>108,198</i>	<i>21,445,976</i>	<i>20,579,924</i>
<i>Total Revenues</i>	<i>36,888,699</i>	<i>35,200,229</i>	<i>8,023,989</i>	<i>7,343,591</i>	<i>44,912,688</i>	<i>42,543,820</i>

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Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Expenses						
General Government	\$5,356,545	\$3,855,019	\$0	\$0	\$5,356,545	\$3,855,019
<i>Security of Persons and Property:</i>						
Police	5,831,283	5,561,708	0	0	5,831,283	5,561,708
Fire	6,505,917	6,115,182	0	0	6,505,917	6,115,182
Public Health	38,427	0	0	0	38,427	0
Leisure Time Services	974,476	857,434	0	0	974,476	857,434
Community Environment	551,698	357,249	0	0	551,698	357,249
Basic Utility Services	1,082,742	1,008,751	0	0	1,082,742	1,008,751
Transportation	9,821,764	7,464,294	0	0	9,821,764	7,464,294
Interest on Long-Term Debt	189,519	201,843	0	0	189,519	201,843
Water and Sewer	0	0	7,500,181	6,682,740	7,500,181	6,682,740
<i>Total Expenses</i>	<u>30,352,371</u>	<u>25,421,480</u>	<u>7,500,181</u>	<u>6,682,740</u>	<u>37,852,552</u>	<u>32,104,220</u>
<i>Increase (Decrease) in Net Position Before Transfers</i>	6,536,328	9,778,749	729,434	660,851	7,265,762	10,439,600
Transfers In (Out)	<u>(10,000)</u>	<u>(20,000)</u>	<u>10,000</u>	<u>20,000</u>	<u>0</u>	<u>0</u>
<i>Changes in Net Position</i>	6,526,328	9,758,749	739,434	680,851	7,265,762	10,439,600
<i>Net Position at Beginning of Year</i>	<u>23,137,001</u>	<u>13,378,252</u>	<u>38,723,159</u>	<u>38,042,308</u>	<u>61,860,160</u>	<u>51,420,560</u>
<i>Net Position at End of Year</i>	<u>\$29,663,329</u>	<u>\$23,137,001</u>	<u>\$39,462,593</u>	<u>\$38,723,159</u>	<u>\$69,125,922</u>	<u>\$61,860,160</u>

Governmental Activities

Governmental activities increased the City's net position by \$6,526,328. The City saw an increase in income tax and charges for services revenues, which was partially offset by a decrease in miscellaneous revenues. Income taxes increased due to an increase in receivables. Charges for services increased due to services provided by the City. Miscellaneous revenues decreased due to a decrease in rebates from the Ohio Bureau of Workers Compensation. Changes in other revenues between years were not significant. Expenses increased significantly between years primarily due increased accounts, accrued wages and benefits, and matured compensated absences payable. The City also experienced increases in expenses in various departments due to various rising costs of the economy. Additionally, the City's pension and OPEB gain decreased by \$1,357,309 due to amounts reported by the retirement systems. Since these gains are netted against the City's functional expenses, this reduction resulted in various increased functional expenses for the year.

City of Chillicothe
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Revenues
Governmental Activities

Revenue Source	Percentage of Total Revenues
Income and Other Taxes	50.79%
Operating Grants and Contributions	15.50%
Capital Grants and Contributions	0.69%
Charges for Services	25.91%
Property Taxes	3.69%
Unrestricted Grants and Entitlements	2.58%
Unrestricted Contributions	0.01%
Investment Earnings	0.10%
Other	0.72%
Gain on Sale of Capital Assets	0.01%
Total	100.00%

Of the \$36,888,699 in total revenues, income and other taxes accounted for 50.79 percent; charges for services accounted for 25.91 percent; operating grants and contributions accounted for 15.50 percent; and unrestricted grants and entitlements, unrestricted contributions, property taxes, investment earnings, other revenue, capital grants and contributions, and gain on sale of capital assets account for the remaining 7.80 percent. The income and other tax revenue for 2022 was \$18,736,114, which was an increase of \$936,469, or 5.26 percent.

Expenses
Governmental Activities

Expenses by Function	Percentage of Total Expenses
General Government	17.65%
Police	19.21%
Fire	21.43%
Public Health	0.13%
Leisure Time Services	3.21%
Community Environment	1.82%
Basic Utility Services	3.57%
Transportation	32.36%
Interest on Long-Term Debt	0.62%
Total	100.00%

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

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Business-Type Activities

The business-type activities of the City, which include its water and sewer operations, increased the net position by \$739,434. The increase in net position is due primarily to an increase in revenues exceeding the increase in expenses. The increase in revenues is a result of increased water and sewer services provided by the City. The increase in expenses is a result of increased operating costs as well as a reduction in pension and OPEB gain.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. These funds are accounted for by using the modified accrual basis of accounting. The general fund is the chief operating fund of the City. At the end of 2022, the total fund balance for the general fund was \$6,957,046 of which \$5,637,316, or 81.03 percent, was unassigned.

During the current year, the fund balance of the general fund increased by \$65,845. The general fund experienced an increase in the amount of recognizable income taxes.

At the end of 2022, the street construction maintenance and repair fund had a fund balance of \$2,030,064, which is a decrease of \$723,147. This was a result of an increase in expenditures for road paving and repairs exceeding revenues.

During the year, the American Rescue Plan Act fund recognized \$44,374 in federal grants. These funds were spent by year-end.

During the year, the ARPA Violent Crimes grant fund received \$11,787 in federal grants. \$11,695 of these funds were spent by year-end.

At the end of 2022, the bus transit fund had a fund balance of \$4,530,700, which is an increase of \$645,239. This was a result of an increase in services provided and income tax revenue, which was partially offset by a decrease in grant funding received in the current year as compared to the prior year.

Proprietary Funds

During the current year, the net position of the City's water fund increased by \$501,096, or 2.28 percent. The increase in the water fund's net position was due to an increase in charges for service collections and miscellaneous revenues.

During the current year, the net position of the sewer fund decreased by \$314,709, or 1.90 percent. The decrease in the sewer fund's net position is the result of an increase in personal services and fringe benefits, which were partially offset by an increase in charges for service collections.

City of Chillicothe
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General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a budget basis of cash receipts (revenues), and disbursements and encumbrances (expenditures). The most significant budgeted fund is the general fund. During 2022, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the finance committee of City Council for review before going to the whole Council for an ordinance on the change. The City does allow small budget changes that modify line items within departments within the same fund.

For the general fund, the original budgeted revenues and other financing sources were \$26,168,776 and the final budgeted revenues and other financing sources were \$28,762,487. The largest difference between the general fund's original budget and final budget was in income tax revenue and transfers in. These lines increased \$2,122,473 and \$967,545, or 17.60 percent and 21.45 percent, respectively. Income tax revenue increased due to a significant increase in collections from what was originally anticipated.

For the general fund, the original budgeted expenditures and other financing uses were \$26,488,812 and the final budgeted expenditures and other financing uses were \$29,469,643. The differences between the general fund's original budget and final amended budget of expenditures amounted to a \$2,980,831 increase, which included additional appropriations for capital outlay, debt service payments and transfers out of \$638,297, \$344,444 and \$2,055,858, respectively. Transfers out increased to provide for transferring of funds between the safety levy subfund and the general fund.

The difference between the general fund's final budget and actual for the general government and capital outlay expenditures was \$889,804 and \$356,094, or 12.16 and 33.34 percent, respectively. This difference between budgeted and actual expenditures was primarily the result of lower than expected expenditures for personal services costs and contractual services expenditures in several departments and due to the City.

Capital Assets and Debt Administration

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities	
	2022	2021*	2022	2021*
Land	\$7,281,379	\$7,281,379	\$1,923,669	\$1,923,669
Construction in Progress	0	4,000	2,917,973	2,791,926
Land Improvements	82,410	109,677	43,907	47,441
Buildings, Structures, and Improvements	9,116,865	9,389,434	2,039,631	2,168,636
Plant and Facilities	0	0	9,918,035	10,117,198
Furniture, Fixture, and Equipment	4,011,401	3,758,755	462,998	659,453
Infrastructure	20,672,913	20,473,806	15,761,824	16,211,004
Intangible Right to Use Leased Assets	327,919	160,663	2,759	5,517
Total	\$41,492,887	\$41,177,714	\$33,070,796	\$33,924,844

Total capital assets for governmental activities of the City for the year 2022 were \$41,492,887, or \$315,173 more than in 2021. This increase was due to the current year acquisitions exceeding current year depreciation and disposals.

The decrease in capital assets for business-type activities of \$854,048 was due primarily to the current year depreciation and disposals in excess of current year acquisitions.

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

As of December 31, 2022, the City had \$7,214,204 in bonds outstanding.

Long-Term Debt Obligations

	2022	2021
Governmental Activities		
2020 Various Purpose Refunding Bonds	\$2,405,000	\$2,530,000
2016 Street Improvement Bonds	1,285,000	1,590,000
2017 Street Improvements Bonds	455,000	675,000
2017 Street Sweeper Bonds	0	40,000
2017 Garbage Truck Bonds	0	35,000
2018 Police Cruisers/Squad Bonds	59,577	119,155
2019 Various Purpose Bonds	1,194,000	1,266,000
2021 Various Purpose Bonds	994,627	1,232,390
<i>Total Governmental Activities</i>	6,393,204	7,487,545
Business-Type Activities		
2020 Various Purpose Refunding Bonds	135,000	275,000
2019 Various Purpose Bonds	686,000	714,000
<i>Total Business-Type Activities</i>	821,000	989,000
 <i>Total</i>	 \$7,214,204	 \$8,476,545

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

Additional information concerning the City's debt can be found in note 7 of the notes to the basic financial statements.

Current Known Facts and Conditions

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

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

Since the passage of the street construction levy, the City has budgeted a minimum of \$1 million per year to be spent on road projects. Since the passage of the Levy, the City has spent approximately \$8.6 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 in full at the end of the tax levy, also creating a reserve for the continuation of projects in the future.

Significant retail development was ongoing throughout the City. During 2022, several new businesses evolved such as, Gemini Nails, Adena Urgent Care, J Salon & Extension Bar, Carters, Victoria's Nail Boutique, Blondie & Brew - Latte Cafe LLC, Ohio Health, Taco Bell (East Main St), Dunkin Donuts, VIBE and Cobia Outdoor. Other industries

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such as Pixelle Specialty Solutions, in collaboration with JobsOhio, Ohio Southeast Economic Development and Greater Chillicothe & Ross County Development announced an investment of over \$21 million in upgrades and repairs to the number 24 paper machine at the Chilpaco facility. The City of Chillicothe has received several projects built into the budget for 2023, such as stormwater maintenance, Armory improvements, paving and Yoctangee Park upgrades and additions. The new construction from these industries, as well as continuing growth in the community will bring additional revenue via permits, wages earned, and local dollars spent which will eventually lead to permanent improvement to the downtown area of Chillicothe.

Contacting the City's Financial Management

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

City of Chillicothe
Statement of Net Position
As of December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$18,660,252	\$8,008,795	\$26,669,047
Cash and Cash Equivalents in Segregated Accounts	80,145	0	80,145
Cash and Cash Equivalents with Fiscal Agents	3,783,846	0	3,783,846
Materials and Supplies Inventory	134,274	56,181	190,455
Accrued Interest Receivable	17,444	0	17,444
Accounts Receivable	679,167	1,213,966	1,893,133
Internal Balances	(520,425)	520,425	0
Intergovernmental Receivable	2,264,827	1,242	2,266,069
Prepaid Items	527,915	148,679	676,594
Income Taxes Receivable	3,235,716	0	3,235,716
Other Local Taxes Receivable	104,856	0	104,856
Property Taxes Receivable	1,629,337	0	1,629,337
Special Assessments Receivable	61,932	0	61,932
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466
Net OPEB Asset	1,183,366	483,347	1,666,713
Non-Depreciable Capital Assets	7,281,379	4,841,642	12,123,021
Depreciable Capital Assets, Net	34,211,508	28,229,154	62,440,662
<i>Total Assets</i>	<u>73,335,539</u>	<u>44,121,897</u>	<u>117,457,436</u>
Deferred Outflows of Resources:			
Pensions	6,730,804	742,649	7,473,453
OPEB	1,568,587	15,059	1,583,646
<i>Total Deferred Outflows of Resources</i>	<u>8,299,391</u>	<u>757,708</u>	<u>9,057,099</u>
Liabilities:			
Accounts Payable	972,389	101,178	1,073,567
Accrued Wages and Benefits Payable	609,168	141,307	750,475
Contracts Payable	495,639	26,927	522,566
Intergovernmental Payable	373,403	63,091	436,494
Matured Compensated Absences	46,532	2,130	48,662
Accrued Interest Payable	19,667	2,963	22,630
Claims Payable	747,103	0	747,103
Unearned Revenue	3,830,913	0	3,830,913
<i>Long-Term Liabilities:</i>			
Due Within One Year	1,851,958	451,492	2,303,450
<i>Due in More Than One Year:</i>			
Other Amounts Due in More Than One Year	6,942,757	1,084,826	8,027,583
Net Pension Liability	18,615,732	1,363,947	19,979,679
Net OPEB Liability	2,680,188	0	2,680,188
<i>Total Liabilities</i>	<u>37,185,449</u>	<u>3,237,861</u>	<u>40,423,310</u>
Deferred Inflows of Resources:			
Property Taxes	1,481,922	0	1,481,922
Pensions	10,812,028	1,808,456	12,620,484
OPEB	2,492,202	576,321	3,068,523
<i>Total Deferred Inflows of Resources</i>	<u>14,786,152</u>	<u>2,384,777</u>	<u>17,170,929</u>
Net Position:			
Net Investment in Capital Assets	34,507,767	32,547,979	67,055,746
<i>Restricted for:</i>			
Debt Service	232,332	0	232,332
Capital Outlay	3,679,712	618,466	4,298,178
Street Maintenance and Repair	2,569,992	0	2,569,992
Parks and Recreation	319,346	0	319,346
State Grants	280,745	0	280,745
Indigent Drivers Alcohol Treatment Program	334,291	0	334,291
Bus Transit	3,135,621	0	3,135,621
Unclaimed Monies	139,933	0	139,933
Other Purposes	281,262	0	281,262
<i>Permanent Fund Purpose:</i>			
Expendable	2,378	0	2,378
Nonexpendable	1,000	0	1,000
Unrestricted (Deficit)	(15,821,050)	6,090,522	(9,730,528)
<i>Total Net Position</i>	<u>\$29,663,329</u>	<u>\$39,256,967</u>	<u>\$68,920,296</u>

See accompanying notes to the basic financial statements.

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City of Chillicothe
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$5,356,545	\$1,659,018	\$410,640	\$0
<i>Security of Persons and Property:</i>				
Police	5,831,283	29,665	106,838	0
Fire	6,505,917	1,213,148	30	0
Public Health	38,427	0	0	0
Leisure Time Services	974,476	115,329	1,729	0
Community Environment	551,698	5,001	130,008	0
Basic Utility Services	1,082,742	2,055,412	44,374	0
Transportation	9,821,764	4,480,630	5,025,404	252,881
Interest on Long-Term Debt	189,519	0	0	0
<i>Total Governmental Activities</i>	<u>30,352,371</u>	<u>9,558,203</u>	<u>5,719,023</u>	<u>252,881</u>
Business-Type Activities:				
Water	3,802,275	4,417,647	0	0
Sewer	3,697,906	3,518,958	0	0
<i>Total Business-Type Activities</i>	<u>7,500,181</u>	<u>7,936,605</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u><u>\$37,852,552</u></u>	<u><u>\$17,494,808</u></u>	<u><u>\$5,719,023</u></u>	<u><u>\$252,881</u></u>

General Revenues and Transfers:

Property Taxes Levied for:

 General Purposes

 Police and Fire Pension

Municipal Income Taxes Levied for:

 General Purposes

 Transportation

 Parks and Recreation

 Capital Outlay

Other Local Taxes

Grants and Entitlements not Restricted to Specific Programs

Gifts and Contributions not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,286,887)	\$0	(\$3,286,887)
(5,694,780)	0	(5,694,780)
(5,292,739)	0	(5,292,739)
(38,427)	0	(38,427)
(857,418)	0	(857,418)
(416,689)	0	(416,689)
1,017,044	0	1,017,044
(62,849)	0	(62,849)
(189,519)	0	(189,519)
(14,822,264)	0	(14,822,264)
0	615,372	615,372
0	(178,948)	(178,948)
0	436,424	436,424
(14,822,264)	436,424	(14,385,840)
1,098,625	0	1,098,625
261,656	0	261,656
13,725,477	0	13,725,477
2,744,108	0	2,744,108
686,336	0	686,336
1,143,893	0	1,143,893
436,300	0	436,300
950,770	0	950,770
4,250	0	4,250
35,591	0	35,591
4,507	0	4,507
267,079	87,384	354,463
21,358,592	87,384	21,445,976
(10,000)	10,000	0
21,348,592	97,384	21,445,976
6,526,328	533,808	7,060,136
23,137,001	38,723,159	61,860,160
\$29,663,329	\$39,256,967	\$68,920,296

City of Chillicothe
Balance Sheet
Governmental Funds
As of December 31, 2022

	General	Street Construction Maintenance and Repair	American Rescue Plan Act	ARPA Violent Crimes Grant	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Equity in Pooled Cash and Cash Equivalents	\$5,616,136	\$1,673,912	\$2,240,112	\$1,598,289	\$4,443,095	\$2,836,970	\$18,408,514
Cash and Cash Equivalents in Segregated Accounts	79,643	0	0	0	0	502	80,145
Materials and Supplies Inventory	69,266	16,002	0	0	48,918	88	134,274
Accrued Interest Receivable	17,444	0	0	0	0	0	17,444
Accounts Receivable	276,418	0	0	0	400,387	2,362	679,167
Interfund Receivable	250,000	0	0	0	0	0	250,000
Intergovernmental Receivable	565,953	659,735	0	0	834,919	204,220	2,264,827
Prepaid Items	408,379	14,052	0	92	59,170	46,222	527,915
Income Taxes Receivable	2,426,787	323,572	0	0	161,786	323,571	3,235,716
Other Local Taxes Receivable	104,856	0	0	0	0	0	104,856
Property Taxes Receivable	1,312,195	0	0	0	0	317,142	1,629,337
Special Assessments Receivable	61,932	0	0	0	0	0	61,932
Restricted Cash and Cash Equivalents	139,933	0	0	0	0	0	139,933
<i>Total Assets</i>	<u>\$11,328,942</u>	<u>\$2,687,273</u>	<u>\$2,240,112</u>	<u>\$1,598,381</u>	<u>\$5,948,275</u>	<u>\$3,731,077</u>	<u>\$27,534,060</u>
Liabilities:							
Accounts Payable	\$442,914	\$44,431	\$0	\$0	\$407,633	\$44,166	\$939,144
Accrued Wages and Benefits Payable	497,980	17,586	0	6,266	66,167	21,169	609,168
Contracts Payable	462,971	0	0	0	0	32,668	495,639
Intergovernmental Payable	148,964	10,697	0	1,222	34,414	178,106	373,403
Matured Compensated Absences	43,712	0	0	0	2,820	0	46,532
Interfund Payable	0	0	0	0	0	250,000	250,000
Unearned Revenue	0	0	2,240,112	1,590,801	0	0	3,830,913
<i>Total Liabilities</i>	<u>1,596,541</u>	<u>72,714</u>	<u>2,240,112</u>	<u>1,598,289</u>	<u>511,034</u>	<u>526,109</u>	<u>6,544,799</u>
Deferred Inflows of Resources:							
Property Taxes not Levied to Finance Current Year							
Operations	1,193,574	0	0	0	0	288,348	1,481,922
<i>Unavailable Revenue:</i>							
Property Taxes	89,805	0	0	0	0	21,460	111,265
Income Taxes	1,086,024	144,803	0	0	72,402	144,803	1,448,032
Grants and Entitlements	360,794	439,692	0	0	834,139	162,288	1,796,913
Fines and Forfeitures	6,341	0	0	0	0	0	6,341
Special Assessments	38,817	0	0	0	0	0	38,817
<i>Total Unavailable Revenue</i>	<u>1,581,781</u>	<u>584,495</u>	<u>0</u>	<u>0</u>	<u>906,541</u>	<u>328,551</u>	<u>3,401,368</u>
<i>Total Deferred Inflows of Resources</i>	<u>2,775,355</u>	<u>584,495</u>	<u>0</u>	<u>0</u>	<u>906,541</u>	<u>616,899</u>	<u>4,883,290</u>
Fund Balances:							
Nonspendable	617,578	30,054	0	92	108,088	47,310	803,122
Restricted	0	2,000,010	0	0	4,422,612	2,656,922	9,079,544
Committed	17,527	0	0	0	0	0	17,527
Assigned	684,625	0	0	0	0	5,765	690,390
Unassigned (Deficit)	5,637,316	0	0	0	0	(121,928)	5,515,388
<i>Total Fund Balances</i>	<u>6,957,046</u>	<u>2,030,064</u>	<u>0</u>	<u>92</u>	<u>4,530,700</u>	<u>2,588,069</u>	<u>16,105,971</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$11,328,942</u>	<u>\$2,687,273</u>	<u>\$2,240,112</u>	<u>\$1,598,381</u>	<u>\$5,948,275</u>	<u>\$3,731,077</u>	<u>\$27,534,060</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
*Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 As of December 31, 2022*

Total Governmental Fund Balances		\$16,105,971
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		41,492,887
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	111,265	
Income Taxes	1,448,032	
Grants and Entitlements	1,796,913	
Fines, Licenses and Permits	6,341	
Special Assessments	38,817	
Total	3,401,368	3,401,368
Some interest is not due and payable in the current period and therefore is not reported in the funds.		(19,667)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Refunding Bonds	(2,405,000)	
General Obligation Bonds	(3,988,204)	
Premium on Bonds	(258,206)	
Financed Purchase Agreements	(181,576)	
Leases Payable	(293,606)	
Compensated Absences Payable	(1,668,123)	
Total	(8,794,715)	(8,794,715)
The net pension and OPEB liabilities (assets) are not due and payable in the current period; therefore, these liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds.		
Deferred Outflows-Pension	6,730,804	
Deferred Outflows-OPEB	1,568,587	
Net OPEB Asset	1,183,366	
Net Pension Liability	(18,615,732)	
Net OPEB Liability	(2,680,188)	
Deferred Inflows-Pension	(10,812,028)	
Deferred Inflows-OPEB	(2,492,202)	
Total	(25,117,393)	(25,117,393)
The internal service fund used by management to charge the costs of the fuel purchasing and self-insurance programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.		2,594,878
Net Position of Governmental Activities		\$29,663,329

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Construction Maintenance and Repair	American Rescue Plan Act	ARPA Violent Crimes Grant	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property Taxes	\$1,072,224	\$0	\$0	\$0	\$0	\$254,990	\$1,327,214
Income Taxes	13,844,543	1,844,869	0	0	923,051	1,846,103	18,458,566
Other Local Taxes	436,300	0	0	0	0	0	436,300
Special Assessments	24,961	0	0	0	0	0	24,961
Charges for Services	3,819,906	0	0	0	3,909,777	216,923	7,946,606
Fines, Licenses, and Permits	1,612,412	0	0	0	0	36,111	1,648,523
Intergovernmental	1,302,226	1,322,435	44,374	11,787	2,882,182	825,108	6,388,112
Interest	94,350	59	0	0	30	67	94,506
Change in Fair Value of Investments	(83,854)	0	0	0	0	0	(83,854)
Contributions and Donations	4,250	0	0	0	20	1,700	5,970
Other	78,242	90,318	0	0	55,025	40,972	264,557
<i>Total Revenues</i>	<u>22,205,560</u>	<u>3,257,681</u>	<u>44,374</u>	<u>11,787</u>	<u>7,770,085</u>	<u>3,221,974</u>	<u>36,511,461</u>
Expenditures:							
Current:							
General Government	6,533,784	0	0	0	0	36,167	6,569,951
<i>Security of Persons and Property:</i>							
Police	5,904,726	0	0	11,695	0	725,785	6,642,206
Fire	5,802,676	0	0	0	0	1,230,577	7,033,253
Public Health	38,427	0	0	0	0	0	38,427
Leisure Time Services	15,000	0	0	0	0	959,692	974,692
Community Environment	78,308	0	0	0	0	159,363	237,671
Basic Utility Services	1,387,957	0	44,374	0	0	11	1,432,342
Transportation	202,183	1,571,754	0	0	6,862,472	228,265	8,864,674
Capital Outlay	803,156	1,740,974	0	0	211,808	1,061,765	3,817,703
Debt Service:							
Principal	277,851	593,470	0	0	41,783	353,633	1,266,737
Interest	79,900	74,630	0	0	28,140	48,420	231,090
<i>Total Expenditures</i>	<u>21,123,968</u>	<u>3,980,828</u>	<u>44,374</u>	<u>11,695</u>	<u>7,144,203</u>	<u>4,803,678</u>	<u>37,108,746</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,081,592	(723,147)	0	92	625,882	(1,581,704)	(597,285)
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	1,230,040	1,230,040
Proceeds from Sale of Capital Assets	4,507	0	0	0	0	0	4,507
Inception of Right to Use Leases	219,786	0	0	0	19,357	0	239,143
Transfers Out	(1,240,040)	0	0	0	0	0	(1,240,040)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,015,747)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,357</u>	<u>1,230,040</u>	<u>233,650</u>
<i>Net Change in Fund Balances</i>	65,845	(723,147)	0	92	645,239	(351,664)	(363,635)
<i>Fund Balances at Beginning of Year</i>	<u>6,891,201</u>	<u>2,753,211</u>	<u>0</u>	<u>0</u>	<u>3,885,461</u>	<u>2,939,733</u>	<u>16,469,606</u>
<i>Fund Balances at End of Year</i>	<u>\$6,957,046</u>	<u>\$2,030,064</u>	<u>\$0</u>	<u>\$92</u>	<u>\$4,530,700</u>	<u>\$2,588,069</u>	<u>\$16,105,971</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022*

Net Change in Fund Balances - Total Governmental Funds (\$363,635)

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

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

Capital Asset Additions	3,817,703	
Current Year Depreciation	(3,000,252)	
Total	817,451	817,451

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. (502,278)

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

Delinquent Property Taxes	33,067	
Income Taxes	(158,752)	
Other	2,522	
Grants and Entitlements	532,686	
Fines, Licenses and Permits	(62,197)	
Delinquent Special Assessments	310	
Total	347,636	347,636

Repayment of bond, financed purchase agreement, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Payments	1,266,737	
Total	1,266,737	1,266,737

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 9,675

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:

Inception of Right to Use Leases	(239,143)	
Total	(239,143)	(239,143)

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

Compensated Absences	(23,642)	
Amortization of Premiums on Debt Issued	31,896	
Total	8,254	8,254

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

Pensions	2,579,710	
OPEB	37,065	
Total	2,616,775	2,616,775

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

Pensions	(22,273)	
OPEB	906,790	
Total	884,517	884,517

The internal service fund used by management to charge the costs of the fuel purchasing and self-insurance programs to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds. 1,680,339

Net Change in Net Position of Governmental Activities \$6,526,328

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$1,050,860	\$1,060,930	\$1,060,930	\$0
Income Taxes	12,064,500	14,186,973	14,187,042	69
Other Local Taxes	360,000	425,341	425,341	0
Special Assessments	25,000	11,196	11,196	0
Charges for Services	3,935,871	3,764,747	3,760,596	(4,151)
Fines, Licenses, and Permits	1,342,541	1,611,489	1,611,067	(422)
Intergovernmental	1,325,122	1,371,802	1,371,802	0
Interest	150,000	102,522	102,522	0
Contributions and Donations	13,000	4,250	4,250	0
Other	935,543	739,846	66,873	(672,973)
<i>Total Revenues</i>	21,202,437	23,279,096	22,601,619	(677,477)
Expenditures:				
Current:				
General Government	7,162,600	7,319,070	6,429,266	889,804
<i>Security of Persons and Property</i>				
Police	6,763,733	6,263,268	6,045,296	217,972
Fire	5,633,173	5,964,244	5,767,362	196,882
Leisure Time Services	0	15,825	15,000	825
Community Environment	15,000	17,825	2,706	15,119
Basic Utility Services	1,502,308	1,438,814	1,342,842	95,972
Transportation	330,000	330,000	194,929	135,071
Capital Outlay	429,828	1,068,125	712,031	356,094
Debt Service:				
Principal	0	265,786	265,786	0
Interest	0	78,658	78,658	0
<i>Total Expenditures</i>	21,836,642	22,761,615	20,853,876	1,907,739
<i>Excess of Revenues Over (Under) Expenditures</i>	(634,205)	517,481	1,747,743	1,230,262
Other Financing Sources (Uses)				
Transfers In	4,511,339	5,478,884	4,827,183	(651,701)
General Obligation Bonds Issued	200,000	0	0	0
Proceeds from Sale of Capital Assets	5,000	4,507	4,507	0
Advances In	250,000	0	0	0
Transfers Out	(4,652,170)	(6,708,028)	(6,650,764)	57,264
<i>Total Other Financing Sources (Uses)</i>	314,169	(1,224,637)	(1,819,074)	(594,437)
<i>Net Change in Fund Balances</i>	(320,036)	(707,156)	(71,331)	635,825
<i>Fund Balances at Beginning of Year</i>	4,368,427	4,368,427	4,368,427	0
<i>Prior Year Encumbrances Appropriated</i>	405,934	405,934	405,934	0
<i>Fund Balances at End of Year</i>	\$4,454,325	\$4,067,205	\$4,703,030	\$635,825

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$1,609,000	\$1,890,526	\$1,890,535	\$9
Intergovernmental	1,460,000	1,323,278	1,323,278	0
Interest	0	59	59	0
Other	28,365	265,879	90,318	(175,561)
<i>Total Revenues</i>	3,097,365	3,479,742	3,304,190	(175,552)
Expenditures:				
Current:				
Transportation	2,127,502	1,645,665	1,585,666	59,999
Capital Outlay	1,730,000	2,253,801	1,745,703	508,098
Debt Service:				
Principal	0	593,470	593,470	0
Interest	0	74,630	74,630	0
<i>Total Expenditures</i>	3,857,502	4,567,566	3,999,469	568,097
<i>Excess of Revenues Under Expenditures</i>	(760,137)	(1,087,824)	(695,279)	392,545
Other Financing Sources (Uses)				
Transfers In	1,508,000	1,520,500	1,520,500	0
Transfers Out	(1,553,000)	(1,579,400)	(1,558,000)	21,400
<i>Total Other Financing Sources (Uses)</i>	(45,000)	(58,900)	(37,500)	21,400
<i>Net Change in Fund Balances</i>	(805,137)	(1,146,724)	(732,779)	413,945
<i>Fund Balances at Beginning of Year</i>	2,014,100	2,014,100	2,014,100	0
<i>Prior Year Encumbrances Appropriated</i>	345,552	345,552	345,552	0
<i>Fund Balances at End of Year</i>	\$1,554,515	\$1,212,928	\$1,626,873	\$413,945

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$1,137,701	\$1,146,785	\$1,146,785	\$0
<i>Total Revenues</i>	<u>1,137,701</u>	<u>1,146,785</u>	<u>1,146,785</u>	<u>0</u>
Expenditures:				
Current:				
Basic Utility Services	265,000	265,000	44,374	220,626
<i>Total Expenditures</i>	<u>265,000</u>	<u>265,000</u>	<u>44,374</u>	<u>220,626</u>
<i>Net Change in Fund Balances</i>	872,701	881,785	1,102,411	220,626
<i>Fund Balances at Beginning of Year</i>	<u>1,137,701</u>	<u>1,137,701</u>	<u>1,137,701</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$2,010,402</u>	<u>\$2,019,486</u>	<u>\$2,240,112</u>	<u>\$220,626</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
ARPA Violent Crimes
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$1,602,588	\$1,602,588	\$1,602,588	\$0
Other	0	149	0	(149)
<i>Total Revenues</i>	<u>1,602,588</u>	<u>1,602,737</u>	<u>1,602,588</u>	<u>(149)</u>
Expenditures:				
Current:				
<i>Security of Persons and Property</i>				
Police	1,602,588	1,602,588	4,299	1,598,289
<i>Total Expenditures</i>	<u>1,602,588</u>	<u>1,602,588</u>	<u>4,299</u>	<u>1,598,289</u>
<i>Net Change in Fund Balances</i>	0	149	1,598,289	1,598,140
<i>Fund Balances at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$0</u>	<u>\$149</u>	<u>\$1,598,289</u>	<u>\$1,598,140</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$804,500	\$945,881	\$945,885	\$4
Charges for Services	3,125,000	4,224,069	3,791,100	(432,969)
Intergovernmental	3,561,240	3,141,418	3,141,418	0
Interest	0	30	30	0
Contributions and Donations	0	20	20	0
Other	95,000	125,139	55,104	(70,035)
<i>Total Revenues</i>	<u>7,585,740</u>	<u>8,436,557</u>	<u>7,933,557</u>	<u>(503,000)</u>
Expenditures:				
Current:				
Transportation	6,838,718	7,405,023	6,683,675	721,348
Capital Outlay	143,989	306,814	235,651	71,163
Debt Service:				
Principal	0	41,783	41,783	0
Interest	0	28,140	28,140	0
<i>Total Expenditures</i>	<u>6,982,707</u>	<u>7,781,760</u>	<u>6,989,249</u>	<u>792,511</u>
<i>Excess of Revenues Over Expenditures</i>	603,033	654,797	944,308	289,511
Other Financing Sources (Uses)				
Transfers In	0	54,138	54,138	0
Transfers Out	0	(116,076)	(72,888)	43,188
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(61,938)</u>	<u>(18,750)</u>	<u>43,188</u>
<i>Net Change in Fund Balances</i>	603,033	592,859	925,558	332,699
<i>Fund Balances at Beginning of Year</i>	3,257,814	3,257,814	3,257,814	0
<i>Prior Year Encumbrances Appropriated</i>	217,969	217,969	217,969	0
<i>Fund Balances at End of Year</i>	<u>\$4,078,816</u>	<u>\$4,068,642</u>	<u>\$4,401,341</u>	<u>\$332,699</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2022

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Assets:				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,442,182	\$2,566,613	\$8,008,795	\$111,805
Cash and Cash Equivalents with Fiscal Agents	0	0	0	3,783,846
Materials and Supplies Inventory	44,780	11,401	56,181	0
Accounts Receivable	699,937	514,029	1,213,966	0
Intergovernmental Receivable	651	591	1,242	0
Prepaid Items	95,484	53,195	148,679	0
Total Current Assets	6,283,034	3,145,829	9,428,863	3,895,651
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466	0
Net OPEB Asset	257,248	226,099	483,347	0
Non-Depreciable Capital Assets	1,536,167	3,305,475	4,841,642	0
Depreciable Capital Assets, Net	16,913,582	11,315,572	28,229,154	0
Total Noncurrent Assets	18,706,997	15,465,612	34,172,609	0
Total Assets	24,990,031	18,611,441	43,601,472	3,895,651
Deferred Outflows of Resources:				
Pensions	412,513	330,136	742,649	0
OPEB	4,249	10,810	15,059	0
Total Deferred Outflows of Resources	416,762	340,946	757,708	0
Liabilities:				
<i>Current:</i>				
Accounts Payable	66,617	34,561	101,178	33,245
Accrued Wages and Benefits Payable	61,967	79,340	141,307	0
Contracts Payable	10,814	16,113	26,927	0
Intergovernmental Payable	34,641	28,450	63,091	0
Matured Compensated Absences Payable	2,130	0	2,130	0
Accrued Interest Payable	1,144	1,819	2,963	0
Claims Payable	0	0	0	747,103
Compensated Absences Payable	203,369	81,800	285,169	0
General Obligation Bonds Payable	15,000	150,000	165,000	0
Leases Payable	1,323	0	1,323	0
Total Current Liabilities	397,005	392,083	789,088	780,348
<i>Noncurrent:</i>				
Compensated Absences Payable-Net of Current Portion	274,655	83,399	358,054	0
General Obligation Bonds Payable-Net of Current Portion	354,247	371,591	725,838	0
Leases Payable-Net of Current Portion	934	0	934	0
Net Pension Liability	705,490	658,457	1,363,947	0
Total Noncurrent Liabilities	1,335,326	1,113,447	2,448,773	0
Total Liabilities	1,732,331	1,505,530	3,237,861	780,348
Deferred Inflows of Resources:				
Pensions	919,469	888,987	1,808,456	0
OPEB	292,673	283,648	576,321	0
Total Deferred Inflows of Resources	1,212,142	1,172,635	2,384,777	0
Net Position:				
Net Investment in Capital Assets	18,263,386	14,284,593	32,547,979	0
Restricted for:				
Capital Outlay	0	618,466	618,466	0
Unrestricted	4,198,934	1,371,163	5,570,097	3,115,303
Total Net Position	\$22,462,320	\$16,274,222	38,736,542	\$3,115,303

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

520,425

Net Position of Business-Type Activities

\$39,256,967

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Operating Revenues:				
Charges for Services	\$4,417,647	\$3,518,958	\$7,936,605	\$7,105,854
Other	81,817	5,567	87,384	0
<i>Total Operating Revenues</i>	4,499,464	3,524,525	8,023,989	7,105,854
Operating Expenses:				
Personal Services	1,633,509	1,339,745	2,973,254	0
Fringe Benefits	49,866	252,598	302,464	0
Contractual Services	798,644	1,303,980	2,102,624	1,042,821
Materials and Supplies	515,295	212,665	727,960	537,587
Claims	0	0	0	3,522,781
Depreciation	913,639	718,588	1,632,227	0
Other	75	0	75	0
<i>Total Operating Expenses</i>	3,911,028	3,827,576	7,738,604	5,103,189
<i>Operating Income (Loss)</i>	588,436	(303,051)	285,385	2,002,665
Nonoperating Revenues (Expenses)				
Interest Revenue	0	0	0	25,095
Interest Expense	(12,895)	(20,006)	(32,901)	0
Loss on Sale of Capital Assets	(74,445)	(1,652)	(76,097)	0
<i>Total Nonoperating Revenues (Expenses)</i>	(87,340)	(21,658)	(108,998)	25,095
<i>Income (Loss) Before Transfers</i>	501,096	(324,709)	176,387	2,027,760
Transfers In	0	10,000	10,000	0
<i>Change in Net Position</i>	501,096	(314,709)	186,387	2,027,760
<i>Net Position Beginning of Year</i>	21,961,224	16,588,931	38,550,155	1,087,543
<i>Net Position End of Year</i>	\$22,462,320	\$16,274,222	38,736,542	\$3,115,303
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Business-Type Activities			347,421	
Change in Net Position - Total Business-Type Activities			\$533,808	

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,399,813	\$3,530,411	\$7,930,224	\$7,105,854
Cash Received from Other Receipts	83,378	6,987	90,365	0
Cash Payments to Employees	(2,479,507)	(2,003,663)	(4,483,170)	0
Cash Payments for Claims	0	0	0	(3,564,367)
Cash Payments for Contractual Services	(829,365)	(1,340,958)	(2,170,323)	(1,042,821)
Cash Payments for Supplies and Materials	(490,149)	(217,172)	(707,321)	(512,197)
Cash Payments for Other Expenses	(75)	0	(75)	0
<i>Net Cash Provided by Operating Activities</i>	<u>684,095</u>	<u>(24,395)</u>	<u>659,700</u>	<u>1,986,469</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	0	10,000	10,000	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:				
Principal Paid on Bonds and Leases	(15,234)	(154,000)	(169,234)	0
Interest Paid on Bonds and Leases	(14,485)	(22,530)	(37,015)	0
Cash Paid to Acquire/Construct Capital Assets	(371,483)	(482,793)	(854,276)	0
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>(401,202)</u>	<u>(659,323)</u>	<u>(1,060,525)</u>	<u>0</u>
Cash Flows from Investing Activities				
Investment Earnings	0	0	0	25,095
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,095</u>
<i>Net Change in Cash and Cash Equivalents</i>	282,893	(673,718)	(390,825)	2,011,564
<i>Cash and Cash Equivalents Beginning of Year</i>	5,159,289	3,858,797	9,018,086	1,884,087
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,442,182</u>	<u>\$3,185,079</u>	<u>\$8,627,261</u>	<u>\$3,895,651</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$588,436	(\$303,051)	\$285,385	\$2,002,665
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>				
Depreciation Expense	913,639	718,588	1,632,227	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows:</i>				
(Increase) Decrease in Accounts Receivable	(17,834)	11,453	(6,381)	0
Decrease in Intergovernmental Receivable	1,561	1,420	2,981	0
Increase in Materials and Supplies Inventory	(2,880)	(4,708)	(7,588)	0
(Increase) Decrease in Prepaid Items	(4,868)	183	(4,685)	0
Increase in Net OPEB Asset	(115,864)	(94,140)	(210,004)	0
Increase in Deferred Outflows of Resources	(171,070)	(69,560)	(240,630)	0
Increase (Decrease) in Accounts Payable	36,054	(12,597)	23,457	25,390
Increase in Accrued Wages and Benefits Payable	8,552	20,236	28,788	0
Decrease in Contracts Payable	(33,881)	(24,363)	(58,244)	0
Increase in Intergovernmental Payable	12,446	12,411	24,857	0
Increase in Compensated Absences Payable	15,259	13,794	29,053	0
Decrease in Claims Payable	0	0	0	(41,586)
Decrease in Net Pension Liability	(490,012)	(457,345)	(947,357)	0
Increase (Decrease) in Deferred Inflows of Resources	(55,443)	163,284	107,841	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$684,095</u>	<u>(\$24,395)</u>	<u>\$659,700</u>	<u>\$1,986,469</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2022

Assets:

Equity in Pooled Cash and Cash Equivalents	\$38,123
Cash and Cash Equivalents in Segregated Accounts	111,248
<i>Total Assets</i>	<u>149,371</u>

Liabilities:

Intergovernmental Payable	39,110
<i>Total Liabilities</i>	<u>39,110</u>

Net Position:

Restricted for Individuals, Organizations, and Other Governments	110,261
<i>Total Net Position</i>	<u><u>\$110,261</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022

Additions:	
Fines and Forfeitures for Other Governments	\$1,819,950
<i>Total Additions</i>	<u>1,819,950</u>
 Deductions:	
Distributions of State Funds to Other Governments	284
Fines and Forfeitures Distributions to Other Governments	1,832,481
<i>Total Deductions</i>	<u>1,832,765</u>
 <i>Change in Net Position</i>	 (12,815)
 <i>Net Position at Beginning of Year</i>	 <u>123,076</u>
 <i>Net Position at End of Year</i>	 <u><u>\$110,261</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 – Description of the City of Chillicothe

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

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

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

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

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

The City is associated with one organization, which is defined as a public entities risk pool, Jefferson Health Plan. This organization is presented in note 26 of the notes to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

Street Construction Maintenance and Repair Fund – This fund accounts for the portion of state gasoline taxes, motor vehicle registration fees, and income tax revenue designated for maintenance and repair of streets within the City.

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary funds are custodial funds. The City's custodial funds account for assets that are held pending determination of their disposition and the City's municipal court balances.

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and certain deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Basis of Accounting

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

Revenues – Exchange and Nonexchange Transactions

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned (see note 16).

Revenue from property taxes is recognized in the year for which the taxes are levied (see note 14). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

Deferred Inflows and Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pensions and other postemployment benefits (OPEB). The deferrals for pension and OPEB result from changes in net pension/OPEB

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

liabilities not recognized as a component of current year pension/OPEB expense. These amounts are deferred and amortized over various periods as instructed by the pension/OPEB plan administrators. Deferred outflows of resources related to pensions/OPEB are explained further in notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, unavailable revenues, and amounts related to pensions and other postemployment benefits (OPEB). Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance year 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Additionally, deferred inflows related to pensions/OPEB are reported in the government-wide statement of net position. Deferred inflows related to pensions/OPEB result from changes in net pension/OPEB liabilities not recognized as a component of current year expense. Deferred inflows of resources related to pensions/OPEB are explained further in notes 11 and 12.

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

Expenditures/Expenses

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

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

Budgetary Accounting and Control

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

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

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

Cash and Cash Equivalents

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

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

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

Following the local ordinance of the City as well as Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2022 amounted to \$94,350, which includes \$75,465 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's treasury accounts. These interest-bearing depository accounts are presented on the statement of net position and balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The cash of the municipal court is included in this line item.

The City is part of the Jefferson Health Plan, a joint self-insurance pool. The money held by the fiscal agent is presented as "cash and cash equivalents with fiscal agent" on the basic financial statements since it is held in a pool made up of numerous participants. The City's participation in the pool is described in note 26.

Inventory

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

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it is consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws or regulations of

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the City are reported as restricted in the general fund. Restricted assets in the enterprise funds represent cash and cash equivalents that are restricted in their use by legal or contractual requirements.

Capital Assets

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

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 maintained a capitalization threshold of \$500 through December 31, 2021. For capitalized assets recognized on or after January 1, 2022, the City utilizes a threshold of \$5,000. The City’s infrastructure consists of streets, traffic signals, floodwall, park lighting, water and sewer lines, valves, and meters.

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

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

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

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

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

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

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

Net Position

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

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

Operating Revenues and Expenses

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

Unearned Revenue

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

Interfund Transactions

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for

City of Chillicothe
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For the Year Ended December 31, 2022

particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund Balances

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

Estimates

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

Note 3 – Budgetary Basis of Accounting

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

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the general fund, street construction maintenance and repair fund, ARPA fund, ARPA violent crimes fund, and bus transit fund:

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For the Year Ended December 31, 2022

	<u>Net Change in Fund Balance</u>				
	General	Street Construction Maintenance and Repair	ARPA	ARPA Violent Crimes	Bus Transit
GAAP Basis	\$65,845	(\$723,147)	\$0	\$92	\$645,239
Adjustments:					
Net Adjustments for Revenue Accruals	468,312	46,509	1,102,411	1,590,801	163,472
Net Adjustments for Expenditure Accruals	903,704	31,290	0	7,396	198,154
Net Adjustments for Other Sources (Uses)	(683,657)	(37,500)	0	0	(38,107)
Encumbrances	(831,699)	(49,931)	0	0	(43,200)
<i>Perspective Differences:</i>					
Activity of Funds Reclassified for GAAP Reporting Purposes	6,164	0	0	0	0
Budget Basis	<u>(\$71,331)</u>	<u>(\$732,779)</u>	<u>\$1,102,411</u>	<u>\$1,598,289</u>	<u>\$925,558</u>

Note 4 – Cash, Deposits, and Investments

Monies held by the City are classified by State statute into three categories.

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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. Except as noted above, 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.

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.

The amount available for deposit and investment are as follows:

Cash and Cash Equivalents	
Pooled	\$27,325,636
Segregated	191,393
Reconciling items (net) to arrive at bank balances for deposits	339,144
<i>Total available for deposit and investment</i>	<i>\$27,856,173</i>

Cash with Fiscal Agent

The City is self-insured through Jefferson Health Plan (the Plan), a claims servicing pool. The money held by the Plan cannot be identified as an investment or deposit since it is held in a pool made up of numerous participants. The amount held by the Plan at December 31, 2022 was \$3,783,846. This amount is not included in the City's depository balance below. The classification of cash and cash equivalents and investments for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, 2023 Sunset Boulevard, Steubenville, Ohio 43952.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned. At December 31, 2022, the carrying amount of all City deposits, including deposits in segregated accounts, was \$25,605,327. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2022, the City's bank balance of \$25,944,471 was either covered by the Federal Deposit Insurance or collateralized by the financial institution's public entity deposit pools in the manner described below. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

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

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

Investments

As of December 31, 2022, the City had the following investment and maturity:

Investment Type	Fair Value	Maturity	% of Portfolio
Negotiable Certificates of Deposit	\$732,381	Less Than 1 Year	38.31%
Negotiable Certificates of Deposit	240,689	1 to 2 Years	12.59%
Negotiable Certificates of Deposit	938,632	3 to 5 Years	49.10%
Total	\$1,911,702		100.00%

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its investments to those authorized by state statute. The City’s negotiable certificates of deposit are not rated.

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

The City has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the City’s recurring fair value measurements as of December 31, 2022. The City’s investments are Level 1 inputs.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 – Receivables

Receivables at December 31, 2022 consisted of property and other taxes, municipal income taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
<i>General Fund:</i>	
Local Government Distributions	\$418,780
State Property Tax Reimbursements	60,668
Workers Compensation Rebate	4,878
ASAP Grant	20,939
Dare Grant	205
Law Director Salary Subsidy	57,132
Police Grant	3,351
<i>Total General Fund</i>	565,953
Street Construction Maintenance and Repair Distributions	659,735
Bus Transit Grants	834,919
 <i>Nonmajor Governmental Funds:</i>	
State Highway Distributions	\$53,476
Parks and Recreation	28,954
State Grants	40,646
Law Enforcement	719
Parking	51
Police and Fire Pension State Property Tax Reimbursements	14,634
Parks and Recreation Capital	65,740
<i>Total Nonmajor Governmental Funds</i>	204,220
<i>Total Governmental Activities</i>	\$2,264,827
 Business-Type Activities:	
Water	\$651
Sewer	591
<i>Total Business-Type Activities</i>	\$1,242

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 6 – Capital Assets

The following table provides a summary of the changes in capital assets during 2022 for the governmental activities:

	Balance 1/1/22*	Additions	Deletions	Balance 12/31/22
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$7,281,379	\$0	\$0	\$7,281,379
Construction in Progress	4,000	0	(4,000)	0
Total Nondepreciable Capital Assets	7,285,379	0	(4,000)	7,281,379
<i>Depreciable Capital Assets:</i>				
Land Improvements	5,207,861	22,131	0	5,229,992
Buildings, Structures, and Improvements	21,989,026	186,975	0	22,176,001
Furniture, Fixtures, Equipment, and Vehicles	16,841,822	1,303,564	(123,415)	18,021,971
Infrastructure	70,956,559	2,025,890	(1,333,748)	71,648,701
Intangible Right to Use Leased Assets	497,668	279,143	0	776,811
Total Depreciable Capital Assets	115,492,936	3,817,703	(1,457,163)	117,853,476
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(5,098,184)	(49,398)	0	(5,147,582)
Buildings, Structures, and Improvements	(12,599,592)	(459,544)	0	(13,059,136)
Furniture, Fixtures, Equipment, and Vehicles	(13,083,067)	(977,587)	50,084	(14,010,570)
Infrastructure	(50,482,753)	(1,401,836)	908,801	(50,975,788)
Intangible Right to Use Leased Assets	(337,005)	(111,887)	0	(448,892)
Total Accumulated Depreciation	(81,600,601)	(3,000,252)	958,885	(83,641,968)
Total Capital Assets Being Depreciated, Net	33,892,335	817,451	(498,278)	34,211,508
<i>Governmental Activities Capital Assets, Net</i>	\$41,177,714	\$817,451	(\$502,278)	\$41,492,887

*Certain assets previously reported as equipment under capital lease agreements have been reclassified as intangible right to use leased assets in accordance with GASB 87. See note 28 for additional information.

Of the current year depreciation total of \$3,000,252, \$111,887 is presented on the statement of activities related to amortization of the City’s intangible equipment assets, which are included as Intangible Right to Use Leased Assets. Of this amount, \$40,087 is recorded as general government, \$39,189 as security of persons and property-police, \$24,685 as security of persons and property-fire, \$6,950 as transportation, and \$976 as leisure time services. With the implementation of Governmental Accounting Standards Board Statement No. 87, “Leases”, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Governmental Activities:	
General Government	\$413,618
<i>Security of Persons and Property:</i>	
Police	218,518
Fire	151,219
Transportation	1,682,500
Community Environment	314,027
Leisure Time Services	154,338
Basic Utility Services	66,032
<i>Governmental Activities Depreciation Expense</i>	<u>\$3,000,252</u>

The following table provides a summary of the changes in capital assets during 2022 for the business-type activities:

	Balance 1/1/22*	Additions	Deletions	Balance 12/31/22
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,923,669	\$0	\$0	\$1,923,669
Construction in Progress	2,791,926	423,414	(297,367)	2,917,973
Total Nondepreciable Capital Assets	4,715,595	423,414	(297,367)	4,841,642
<i>Depreciable Capital Assets:</i>				
Land Improvements	343,235	0	0	343,235
Buildings, Structures, and Improvements	5,869,974	67,106	0	5,937,080
Plant and Facilities	25,866,041	311,377	0	26,177,418
Furniture, Fixtures, Equipment, and Vehicles	4,369,978	90,433	(4,339)	4,456,072
Infrastructure	31,933,737	259,313	(112,480)	32,080,570
Intangible Right to Use Leased Assets	6,621	0	0	6,621
Total Depreciable Capital Assets	68,389,586	728,229	(116,819)	69,000,996
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(295,794)	(3,534)	0	(299,328)
Buildings, Structures, and Improvements	(3,701,338)	(196,111)	0	(3,897,449)
Plant and Facilities	(15,748,843)	(510,540)	0	(16,259,383)
Furniture, Fixtures, Equipment, and Vehicles	(3,710,525)	(282,549)	0	(3,993,074)
Infrastructure	(15,722,733)	(636,735)	40,722	(16,318,746)
Intangible Right to Use Leased Assets	(1,104)	(2,758)	0	(3,862)
Total Accumulated Depreciation	(39,180,337)	(1,632,227)	40,722	(40,771,842)
Total Capital Assets Being Depreciated, Net	29,209,249	(903,998)	(76,097)	28,229,154
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$33,924,844</u>	<u>(\$480,584)</u>	<u>(\$373,464)</u>	<u>\$33,070,796</u>

*Certain assets previously reported as equipment under capital lease agreements have been reclassified as intangible right to use leased assets in accordance with GASB 87. See note 28 for additional information.

Of the current year depreciation total of \$1,632,227, \$2,758 is presented on the statement of activities related to the City's intangible equipment assets, which are included as Intangible Right to Use Leased Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 – Long-Term Obligations

The City’s long-term obligations activity for the year ended December 31, 2022 was as follows:

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22	Due Within One Year
Governmental Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	\$490,000	\$0	(\$125,000)	\$365,000	\$135,000
Term Bonds	2,040,000	0	0	2,040,000	0
Issuance Premium on Bonds	110,559	0	(5,574)	104,985	0
Total GO Refunding Bonds	2,640,559	0	(130,574)	2,509,985	135,000
<i>General Obligation Bonds:</i>					
Street Improvement Project (2016)					
\$3,000,000, 2.52%, 2016-2026	1,590,000	0	(305,000)	1,285,000	310,000
Issuance Premium on Bonds	51,088	0	(10,218)	40,870	0
Street Improvement Project (2017)					
\$1,490,000, 2.49%, 2017-2024	675,000	0	(220,000)	455,000	225,000
Issuance Premium on Bonds	25,166	0	(8,389)	16,777	0
Street Sweeper \$175,000, 2.49%, 2017-2024					
Issuance Premium on Bonds	40,000	0	(40,000)	0	0
Garbage Truck \$165,000, 2.49%, 2017-2024					
Issuance Premium on Bonds	1,067	0	(1,067)	0	0
Police Cruisers/Squad 2018 \$297,889,					
3.35%, 2018-2023	119,155	0	(59,578)	59,577	59,577
2019 General Obligation Bonds \$1,391,000,					
4.0%, 2019-2039	1,266,000	0	(72,000)	1,194,000	75,000
Issuance Premium on Bonds	101,196	0	(5,622)	95,574	0
<i>Various Purpose Bonds:</i>					
\$1,232,390, 1.80%, 2021-2026					
Land Acquisition Bonds	300,000	0	(57,878)	242,122	58,920
Vehicle and Equipment Acquisition Bonds	932,390	0	(179,885)	752,505	183,122
Total GO Bonds	5,137,088	0	(995,663)	4,141,425	911,619
<i>Other Long-Term Obligations:</i>					
Financed Purchases					
	290,261	0	(108,685)	181,576	112,248
Leases Payable					
	118,174	239,143	(63,711)	293,606	68,785
Total Leases	408,435	239,143	(172,396)	475,182	181,033
Compensated Absences					
	1,644,481	1,526,177	(1,502,535)	1,668,123	624,306
<i>Net Pension Liability:</i>					
OPERS					
	5,658,710	0	(2,319,392)	3,339,318	0
OP&F					
	17,694,249	0	(2,417,835)	15,276,414	0
Total Net Pension Liability	23,352,959	0	(4,737,227)	18,615,732	0
<i>Net OPEB Liability:</i>					
OP&F					
	2,750,051	0	(69,863)	2,680,188	0
Total Net OPEB Liability	2,750,051	0	(69,863)	2,680,188	0
<i>Governmental Activities</i>					
<i>Long-Term Obligations</i>	\$35,933,573	\$1,765,320	(\$7,608,258)	\$30,090,635	\$1,851,958

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

General obligation bonds issued for governmental activities of the City are retired from the general, street construction maintenance and repair, bus transit, safety levy capital, and police and fire pension funds. General obligation bonds are secured by the City’s ability to levy a voted or unvoted property tax levy within the limitations of Ohio law. These bonds are also backed by the full faith and credit of the City as additional security.

Compensated absences and net pension and OPEB obligations will be paid from the funds from which the employees’ salaries are paid, which include the general, street construction maintenance and repair, parks and recreation, parking, and bus transit funds. Financed purchase and lease obligations will be paid from the fund that maintains custody of the related asset. The landfill post-closure care liability was paid from the general fund. The City pays obligations related to employee compensation from the fund benefiting from their service.

Refunding General Obligation Bonds

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

The various purpose bonds maturing December 1, 2028 shall be subject to mandatory sinking fund redemption in part on December 1, 2026 and December 1, 2027 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2026	\$100,000
2027	100,000

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

The various purpose bonds maturing December 1, 2032 shall be subject to mandatory sinking fund redemption in part on December 1, 2029, December 1, 2030, and December 1, 2031 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2029	\$110,000
2030	115,000
2031	120,000

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

The various purpose bonds maturing December 1, 2034 shall be subject to mandatory sinking fund redemption in part on December 1, 2033 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2033	\$125,000

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

The various purpose bonds maturing December 1, 2036 shall be subject to mandatory sinking fund redemption in part on December 1, 2035 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2035	\$130,000

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

The various purpose bonds maturing December 1, 2041 shall be subject to mandatory sinking fund redemption in part on December 1, 2037, December 1, 2038, December 1, 2039, and December 1, 2040 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

Redemption Dates (December 1)	Principal Amount To Be Redeemed
2037	\$140,000
2038	145,000
2039	150,000
2040	155,000

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

General Obligation Bonds

During 2016, the City issued \$3,000,000 of general obligation bonds for the purpose of street improvement projects. The premium of \$102,175 on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt. The bonds will be retired through the street construction maintenance and repair fund using tax revenues.

During 2017, the City issued \$1,490,000 of general obligation bonds for the purpose of repaying the 2016 street construction bond anticipation notes. The premium of \$58,722 on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt. The bonds are retired through the street construction maintenance and repair fund using tax revenues.

In September 2017, the City issued \$175,000 of general obligation bonds for the purpose of purchasing a street sweeper. The premium of \$5,331 on the issuance of bonds is netted against this debt and is amortized over the life of this debt. This bond was retired through the street construction maintenance and repair fund using tax revenues. The final payment was made in 2022.

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

life of this debt. This bond was retired through the general fund using tax revenues. The final payment was made in 2022.

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 was retired through the general and safety levy capital funds using tax revenues.

During 2019, the City issued \$1,391,000 of various purpose general obligation bonds for the purpose of purchasing the Pepsi building (\$1,146,000), a state highway plow/mower (\$115,000), and the parks and recreation bus garage (\$130,000). This bond will be retired through the general, street construction maintenance and repair, state highway, debt obligations, landfill closure, and parks and recreation capital funds using tax and available revenues.

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

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

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

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

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

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

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22	Due Within One Year
Business-Type Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$415,000, 3.00%, 2020-2041					
Serial Bonds	\$275,000	\$0	(\$140,000)	\$135,000	\$135,000
Issuance Premium on Bonds	18,265	0	(921)	17,344	0
Total GO Refunding Bonds	293,265	0	(140,921)	152,344	135,000
<i>General Obligation Bonds:</i>					
2019 Building Purchase Bond, 4.0%					
Issuance Premium on Bonds	714,000	0	(28,000)	686,000	30,000
Total GO Bonds	55,582	0	(3,088)	52,494	0
Total GO Bonds	769,582	0	(31,088)	738,494	30,000
<i>Other Long-Term Obligations:</i>					
Leases Payable	3,491	0	(1,234)	2,257	1,323
Compensated Absences	616,300	332,194	(305,271)	643,223	285,169
<i>Net Pension Liability-OPERS:</i>					
Water	1,195,502	0	(490,012)	705,490	0
Sewer	1,115,802	0	(457,345)	658,457	0
Total Net Pension Liability-OPERS	2,311,304	0	(947,357)	1,363,947	0
<i>Business-Type Activities</i>					
<i>Long-Term Obligations</i>	\$3,993,942	\$332,194	(\$1,425,871)	\$2,900,265	\$451,492

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

Refunding General Obligation Bonds

During 2019, the City issued \$764,000 of general obligation bonds for the purpose of purchasing the Pepsi building. The premium of \$61,758 on the issuance of bonds is netted against this debt and is amortized over the life of this debt. This bond will be retired through the water and sewer funds.

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

City of Chillicothe
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For the Year Ended December 31, 2022

Debt service requirements are as follows:

For year ended December 31	2020 G.O. Refunding Bonds		2016 Street Improvement		2018 Police	
	Governmental Activities		Project G.O. Bonds		Cruiser/Squad Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$135,000	\$72,150	\$310,000	33,875	\$59,577	\$1,996
2024	135,000	68,100	315,000	27,675	0	0
2025	95,000	64,050	325,000	19,800	0	0
2026	100,000	61,200	335,000	10,050	0	0
2027	100,000	58,200	0	0	0	0
2028-2032	575,000	242,400	0	0	0	0
2033-2037	655,000	151,650	0	0	0	0
2038-2041	610,000	46,500	0	0	0	0
Total	\$2,405,000	\$764,250	\$1,285,000	\$91,400	\$59,577	\$1,996

For year ended December 31	2019 G.O. Bonds		2017 Street Improvement	
	Governmental Activities		Project G.O. Bonds	
	Principal	Interest	Principal	Interest
2023	\$75,000	\$47,760	\$225,000	\$12,525
2024	75,000	44,760	230,000	6,900
2025	53,000	41,760	0	0
2026	53,000	39,640	0	0
2027	56,000	37,520	0	0
2028-2032	313,000	152,320	0	0
2033-2037	390,000	84,200	0	0
2038-2039	179,000	10,800	0	0
Total	\$1,194,000	\$458,760	\$455,000	\$19,425

For year ended December 31	2021 V.P. Bonds		2021 V.P. Bonds	
	Land Acquisition		Vehicles and Equipment Acquisition	
	Principal	Interest	Principal	Interest
2023	\$58,920	\$4,358	\$183,122	\$13,545
2024	59,981	3,298	186,420	10,248
2025	61,061	2,218	189,773	6,894
2026	62,160	1,119	193,190	3,477
Total	\$242,122	\$10,993	\$752,505	\$34,164

For year ended December 31	2020 G.O. Refunding Bonds		2019 G.O. Bonds		2019 G.O. Bonds	
	Sewer		Sewer		Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$135,000	\$4,050	\$15,000	\$13,720	\$15,000	\$13,720
2024	0	0	15,000	13,120	15,000	13,120
2025	0	0	16,000	12,520	16,000	12,520
2026	0	0	16,000	11,880	16,000	11,880
2027	0	0	17,000	11,240	17,000	11,240
2028-2032	0	0	96,000	45,440	96,000	45,440
2033-2037	0	0	115,000	24,800	115,000	24,800
2038-2039	0	0	53,000	3,200	53,000	3,200
Total	\$135,000	\$4,050	\$343,000	\$135,920	\$343,000	\$135,920

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Conduit Debt Obligations

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

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

As of December 31, 2022, the hospital revenue refunding bonds aggregated principal amount payable was \$141,640,000.

Note 9 – Financed Purchases

During a previous year, the City entered into financed purchases agreements for vehicles and other equipment where ownership of the underlying asset transfers to the City by the end of the contract.

Changes in the financed purchases of the City during the 2022 fiscal year were as follows:

	Balance 1/1/22	Additions	Deletions	Balance 12/31/22	Due Within One Year
Governmental Activities:					
Police Cruisers – 2019 – 3.25%	\$55,123	\$0	(\$27,121)	\$28,002	\$28,002
Police Radios – 2019 – 3.25%	123,308	0	(60,668)	62,640	62,640
CAD System – 2019 – 3.40%	111,830	0	(20,896)	90,934	21,606
<i>Governmental Activities</i>					
<i>Other Long-Term Obligations</i>	\$290,261	\$0	(\$108,685)	\$181,576	\$112,248

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

The City’s financed purchase agreements are from direct borrowings related to governmental activities of \$495,500 and are collateralized by the vehicles and equipment purchased with the financed purchase agreements’ proceeds. These financed purchase agreements from direct borrowings contain a provision that in an event of default, the City is subject to one or more of the following remedies: a) all amounts currently due and all remaining lease payments due under the lease to become immediately due and payable; b) prompt return of equipment to lessor; c) sell, lease, or otherwise dispose of equipment and provide proceeds to lessor; d) payment of all out-of-pocket costs and expenses incurred by lessor as a result of the default; and e) any other appropriate court action to enforce the terms of, recover damages for the breach of, or rescind the financed purchase.

These agreements meet the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Principal and interest components of the scheduled financed purchase agreement payments outstanding at December 31, 2022 are shown below.

For year ended December 31	Police Cruisers		Police Radios		CAD System	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$28,002	\$910	\$62,640	\$2,036	\$21,606	\$3,092
2024	0	0	0	0	22,341	2,357
2025	0	0	0	0	23,101	1,598
2026	0	0	0	0	23,886	812
Total	\$28,002	\$910	\$62,640	\$2,036	\$90,934	\$7,859

Note 10 – Leases Payable

In previous years, the City has entered into various agreements to lease equipment. Due to the implementation of GASB 87, this lease has met the criteria of a lease thus requiring it to be recorded by the City. Lease payments are reflected as debt service expenditures in the general, bus transit, street construction maintenance and repair, and parks and recreation funds.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2023	\$68,785	\$7,681
2024	70,547	5,917
2025	70,684	4,079
2026	72,606	2,158
2027	10,984	39
Total	\$293,606	\$19,874

The City has also entered into a lease agreement in the water fund to lease equipment.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2023	\$1,323	\$116
2024	934	25
Total	\$2,257	\$141

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

Note 11 – Defined Benefit Pension Plans

The statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See note 12 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required

City of Chillicothe
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supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A	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. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the consumer price index, capped at 3 percent.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,399,867 for 2022. Of this amount, \$208,555 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F annual comprehensive financial report referenced above for additional information, including requirements for deferred retirement option plan provisions and reduced and unreduced benefits).

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,585,805 for 2022. Of this amount, \$358,554 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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 (gain):

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	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.054058%	0.2445235%	
Prior Measurement Date	0.053823%	0.2595572%	
Change in Proportionate Share	<u>0.000235%</u>	<u>-0.0150337%</u>	
Proportionate Share of the:			
Net Pension Liability	\$4,703,265	\$15,276,414	\$19,979,679
Pension Expense (Gain)	(\$1,076,442)	\$728,140	(\$348,302)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$239,766	\$440,477	\$680,243
Changes of assumptions	588,138	2,791,877	3,380,015
Changes in proportion and differences between City contributions and proportionate share of contributions	174,066	253,457	427,523
City contributions subsequent to the measurement date	<u>1,399,867</u>	<u>1,585,805</u>	<u>2,985,672</u>
Total Deferred Outflows of Resources	<u>\$2,401,837</u>	<u>\$5,071,616</u>	<u>\$7,473,453</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$103,155	\$794,165	\$897,320
Net difference between projected and actual earnings on pension plan investments	5,594,362	4,005,239	9,599,601
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>271,485</u>	<u>1,852,078</u>	<u>2,123,563</u>
Total Deferred Inflows of Resources	<u>\$5,969,002</u>	<u>\$6,651,482</u>	<u>\$12,620,484</u>

\$2,985,672 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 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	OPERS	OP&F	Total
Year Ending December 31:			
2023	(\$855,980)	(\$341,132)	(\$1,197,112)
2024	(1,905,657)	(1,516,919)	(3,422,576)
2025	(1,315,459)	(843,585)	(2,159,044)
2026	(889,936)	(654,757)	(1,544,693)
2027	0	190,722	190,722
Total	<u>(\$4,967,032)</u>	<u>(\$3,165,671)</u>	<u>(\$8,132,703)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below, as compared to December 31, 2020,:

	2021	2020
Wage Inflation	2.75 percent	3.25 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	6.9 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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For 2020, 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, 2020.

During 2021, 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 the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00%</u>	<u>4.21%</u>

Discount Rate – The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net

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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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
City's proportionate share of the net pension liability	\$12,400,365	\$4,703,265	(\$1,701,746)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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 are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases, and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented below:

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the statement of investment policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

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 their relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.25 times due

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to the application of leverage in certain fixed income asset classes.

Discount Rate – For 2021, the total pension liability was calculated using the discount rate of 7.50 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 earnings were calculated using the longer-term assumed investment rate of return of 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$22,654,709	\$15,276,414	\$9,132,116

Note 12 – Postemployment Benefits

See note 11 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

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

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

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51

City of Chillicothe
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percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members of the traditional pension plan or combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 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 2022.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

Regardless of a benefit recipient’s participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient’s next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

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

The City’s contractually required OPEB contribution to OP&F was \$37,065 for 2022. Of this amount, \$5,838 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.05321300%	0.2445235%	
Prior Measurement Date	0.05290600%	0.2595572%	
Change in Proportionate Share	<u>0.00030700%</u>	<u>-0.0150337%</u>	
Proportionate Share of the:			
Net OPEB Asset	(\$1,666,713)	\$0	(\$1,666,713)
Net OPEB Liability	0	2,680,188	2,680,188
OPEB Expense (Gain)	(1,656,464)	236,065	(1,420,399)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$121,925	\$121,925
Changes of assumptions	0	1,186,331	1,186,331
Changes in proportion and differences between City contributions and proportionate share of contributions	36,150	202,175	238,325
City contributions subsequent to the measurement date	0	37,065	37,065
Total Deferred Outflows of Resources	<u>\$36,150</u>	<u>\$1,547,496</u>	<u>\$1,583,646</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$252,817	\$354,225	\$607,042
Changes of assumptions	674,666	311,289	985,955
Net difference between projected and actual earnings on OPEB plan investments	794,572	242,108	1,036,680
Changes in proportion and differences between City contributions and proportionate share of contributions	176,756	262,090	438,846
Total Deferred Inflows of Resources	<u>\$1,898,811</u>	<u>\$1,169,712</u>	<u>\$3,068,523</u>

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\$37,065 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/addition to the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	(\$1,204,542)	\$127,199	(\$1,077,343)
2024	(370,393)	91,250	(279,143)
2025	(173,610)	98,677	(74,933)
2026	(114,116)	(8,801)	(122,917)
2027	0	22,207	22,207
Thereafter	0	10,187	10,187
Total	(\$1,862,661)	\$340,719	(\$1,521,942)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding.

Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate:	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.50 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	3.25 percent

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010

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and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, 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 the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, 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, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other Investments	7.00	1.93
Total	<u>100.00 %</u>	<u>3.45 %</u>

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Discount Rate – A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 1.84 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate – The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$980,183)	(\$1,666,713)	(\$2,236,542)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	(\$1,684,724)	(\$1,666,713)	(\$1,645,346)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 the value of reported amounts and assumptions about

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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, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, 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 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate – For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 – Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$3,369,056	\$2,680,188	\$2,113,937

Note 13 – 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.

Note 14 – Property Taxes

Property taxes include amounts levied against real and public utility property. The assessed value by property classification upon which the 2022 tax collections were based follows:

Property Tax Classification	Assessed Value
Real Property	\$434,498,140
Public Utility Property	41,313,610
Total	\$475,811,750

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

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to the 2.60 mills, 1.60 mills, and 0.60 mills, the City has levied .30 and .30 mills of non-voted millage for the police pension and fire pension levies respectively.

In 2022, real property taxes were levied on January 1, 2022, on assessed values as of January 1, 2021, the lien date. Real estate taxes were due and payable on February 26 and July 9, 2022.

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, 2022.

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 15 – Tax Abatements

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

Job Creation Tax Credit Program

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

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

Wages earned during 2022 that were subject to the City's abatement program for the year ended December 31, 2022 was \$65,243.

Note 16 – Municipal Income Taxes

The City levies an income tax of 2.0 percent on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City. However, a credit is allowed for income taxes paid to other municipalities. The income tax consists of a 1.0 percent general tax imposed without authority of an election; a 0.1 percent tax approved by voters in 1981 for the bus transit fund; a 0.4 percent tax approved by voters in 1984 for the police and fire departments, with 0.1 percent being reserved for capital outlay; a 0.1 percent tax approved by voters in 1993 for the parks and recreation fund, with 0.025 percent being

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reserved for capital outlay; and a 0.4 percent tax approved by voters in 2015, of which 0.2 percent was for street improvements and 0.2 percent was for safety services.

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

In 2022, these municipal income taxes generated a combined total of \$18,458,566 in local income tax revenue.

Note 17 – Interfund Activity

As of December 31, 2022, receivables and payables that resulted from various interfund transactions were as follows:

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

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 2022 are as follows:

	Transfers In	Transfers Out
Governmental Activities		
<i>Major Governmental Fund:</i>		
General Fund	\$0	\$1,240,040
<i>Nonmajor Governmental Funds:</i>		
Parking Fund	50,000	0
Police Pension Fund	463,307	0
Fire Pension Fund	716,733	0
<i>Total Nonmajor Governmental Funds</i>	1,230,040	0
<i>Major Enterprise Fund:</i>		
Sewer Fund	10,000	0
<i>Total</i>	\$1,240,040	\$1,240,040

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

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the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In 2022, the City made transfers from the general fund to various nonmajor special revenue funds and the sewer fund to subsidize the programs of those funds.

Note 18 – Ross County and Chillicothe Law Enforcement Complex

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

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

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

Those costs are explained as follows:

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

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.

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Note 19 – Significant Commitments

Contracts

The City had the following significant contract outstanding at December 31, 2022.

Project	Contractor	Contract Amount	Payments Through 12/31/22	Contract Remaining at 12/31/22
WWTP Improvements-Engineering	Strand Associates	\$2,138,013	\$1,582,256	\$555,757

Encumbrances

As of December 31, 2022, the City had significant encumbrance commitments in the governmental funds as follows:

<i>Major Funds:</i>	
General	\$831,699
Street Construction Maintenance and Repair	49,931
Bus Transit	43,200
 <i>Nonmajor Governmental Fund:</i>	
Safety Levy Capital	<u>300,983</u>
<i>Total Nonmajor Governmental Fund</i>	<u>300,983</u>
 <i>Total</i>	 <u><u>\$1,225,813</u></u>

Note 20 – Landfill Closure and Postclosure Care

In 1988, state and federal laws and regulations required the City to stop accepting waste at the Chillicothe Landfill and place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure. Final closure of the landfill occurred in 1990. The City reported a declining liability balance through fiscal year 2020 when the liability was considered satisfied in full. As of that date, the City had incurred approximately \$2,738,100 in closure and postclosure care costs. These costs were incurred by the landfill closure fund.

Note 21 - Contingencies

Grants

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

Litigation

The City is party to legal proceedings. The City is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the City.

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For the Year Ended December 31, 2022

Note 22 – Fund Balances

As of December 31, 2022 fund balances are composed of the following:

	General	Street Construction	ARPA Violent Crime	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>						
Prepaid Items	\$408,379	\$14,052	\$92	\$59,170	\$46,222	\$527,915
Materials and Supplies	69,266	16,002	0	48,918	88	134,274
Unclaimed Monies	139,933	0	0	0	0	139,933
Carlisle Hill Trust	0	0	0	0	1,000	1,000
<i>Total Nonspendable</i>	<i>617,578</i>	<i>30,054</i>	<i>92</i>	<i>108,088</i>	<i>47,310</i>	<i>803,122</i>
<i>Restricted:</i>						
Bus Transit	0	0	0	4,422,612	0	4,422,612
Street Construction	0	2,000,010	0	0	0	2,000,010
State Highway	0	0	0	0	73,026	73,026
Parks and Recreation	0	0	0	0	243,625	243,625
State Grants	0	0	0	0	263,245	263,245
Law Enforcement	0	0	0	0	63,671	63,671
Indigent Drivers	0	0	0	0	334,291	334,291
HUD	0	0	0	0	959	959
OMVI	0	0	0	0	27,369	27,369
One Ohio Opioid	0	0	0	0	26,936	26,936
Mandatory Drug Fines	0	0	0	0	11,061	11,061
Parking	0	0	0	0	41,247	41,247
Bond Retirement	0	0	0	0	232,332	232,332
Capital Improvement	0	0	0	0	18,040	18,040
Safety Levy Capital	0	0	0	0	1,139,562	1,139,562
Parks and Rec Capital	0	0	0	0	179,180	179,180
Carlisle Hill Trust	0	0	0	0	2,378	2,378
<i>Total Restricted</i>	<i>0</i>	<i>2,000,010</i>	<i>0</i>	<i>4,422,612</i>	<i>2,656,922</i>	<i>9,079,544</i>
<i>Committed:</i>						
Floodwall	11,628	0	0	0	0	11,628
Streetscape	5,899	0	0	0	0	5,899
<i>Total Committed</i>	<i>17,527</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17,527</i>
<i>Assigned:</i>						
Landfill Closure	29,287	0	0	0	0	29,287
Future Purchases for General Government Purposes	342,988	0	0	0	0	342,988
Subsequent Budget Deficit	312,350	0	0	0	0	312,350
Cablevision	0	0	0	0	5,765	5,765
<i>Total Assigned</i>	<i>684,625</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,765</i>	<i>690,390</i>
<i>Unassigned</i>	<i>5,637,316</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(121,928)</i>	<i>5,515,388</i>
Total Balances	\$6,957,046	\$2,030,064	\$92	\$4,530,700	\$2,588,069	\$16,105,971

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 \$121,322,544. Other property insurance includes \$348,250 unscheduled and \$3,113,754 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$120,284,544. Insurance deductibles on any of the above coverage do not exceed \$10,000.

Cyber breach coverage insurance is maintained in the amount of \$250,000 for each occurrence. Comprehensive cyber liability insurance is carried in the amount of \$3,000,000.

The City participates in the workers' compensation program provided by the State of Ohio. The City utilizes TARTAN Benefits as a third-party administrator.

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

As of June 30, 2022 (most recent information available), the claims liability of \$747,103 reported in the internal service fund is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

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

	Beginning of Year	Current Year Claims	Claims Payments	End of Year
2022	\$788,689	\$3,522,781	\$3,564,367	\$747,103
2021	622,879	4,200,370	4,034,560	788,689

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 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

For 2022, the City did not sub-grant any funds to other governments and organization, nor were any funds returned to the granting agency or spent on-behalf of other governments. The City did not receive any funds as an on-behalf of grant from another government.

Note 25 – Asset Retirement Obligations

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

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

Note 26 – Public Entity Risk Pool

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third-party administrative services. The plan also purchases fully insured life insurance for plan participants provided by Met Life.

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

Note 27 – Subsequent Event

In February 2023, the City was awarded a Water Pollution Control loan in the amount of \$57,322,500, \$50,000 of which will be forgiven through the principal forgiveness program. This loan was issued to provide funding for the wastewater treatment plant improvements project. This 30 year loan will carry an interest rate of 1.62 percent and a maturity date of July 1, 2056.

Note 28 – New Accounting Pronouncement

For 2022, the City implemented GASB Statement No. 87, “Leases” and Implementation Guide No. 2019-3, “Leases”. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The objective of the Implementation Guide is to provide guidance that clarifies, explains, or elaborates on the requirements of Statement No. 87, “Leases”. Changes for these implementations have been incorporated in the City’s financial statements and note disclosures, but there was no effect on the City’s previously reported net position/fund balances.

For 2022, the City implemented GASB Statement No. 91, “Conduit Debt Obligations”. GASB Statement No. 91 provides a single method for government issuers to report conduit debt obligations and related commitments. The enhanced guidance is designed to eliminate diversity in practice associated with these issues. Statement 91 clarifies what is a conduit debt obligation; eliminates the option for government issuers to recognize conduit debt obligations, thereby providing a single method of reporting; broadens the definition of conduit debt obligations to include those for which government issuers (1) make related additional commitments, such as guarantees or moral obligation pledges, or (2) voluntarily agree to make debt service payments or request an appropriation for such payments, if necessary; clarifies how government issuers should account for and report (1) commitments they extend or voluntarily provide and (2) arrangements associated with conduit debt obligations, which often are characterized in practice as leases, but are not leases for financial reporting purposes; and enhances note disclosures. The City analyzed this Statement’s applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the City implemented GASB Statement No. 92, “Omnibus 2020”. GASB Statement No. 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by GASB Statement No. 92, Omnibus 2020, include: modification of the effective date of Statement No. 87, “Leases”, as well as associated implementation guidance, to fiscal years beginning after December 15, 2019, to address concerns regarding interim financial reports; reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended,” and Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended,” to reporting assets accumulated for pensions and OPEB; the applicability of certain requirements of Statement No. 84, “Fiduciary Activities”, to pension and OPEB arrangements; and measurement of liabilities and assets, if any, related to asset retirement obligations in a government acquisition. The City analyzed this Statement’s applicability and determined there to be no impact on the financial statements or note disclosures.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

For 2022, the City implemented GASB Statement No. 93, “Replacement of Interbank Offered Rates”. GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBORs) to other reference rates. It addresses those and other accounting and financial reporting implications of the replacement of an IBOR by providing an exception to the lease modifications guidance in Statement 87 for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The City analyzed this Statement’s applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the City implemented GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”. GASB The requirements of Statement No. 97 that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of Statement No. 97 that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within Statement No. 97. The City analyzed this Statement’s applicability and determined there to be no impact on the financial statements or note disclosures.

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

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

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

(1) Information not available prior to 2014.

See accompanying notes to the required supplementary information.

2017	2018	2019	2020	2021	2022
0.0567200%	0.0571490%	0.0583450%	0.0576740%	0.0538230%	0.0540580%
\$12,880,147	\$8,965,570	\$15,979,513	\$11,399,658	\$7,970,014	\$4,703,265
\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414
173.59%	112.30%	188.78%	132.44%	97.60%	56.66%
77.25%	84.66%	74.70%	82.17%	86.88%	92.62%
0.1203590%	0.1232690%	0.1248110%	0.1291656%	0.1105259%	0.1001415%
\$7,623,417	\$7,565,604	\$10,187,876	\$8,701,285	\$7,534,652	\$6,256,262
\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621
273.84%	252.69%	325.48%	263.48%	247.74%	218.17%
68.36%	70.91%	63.07%	69.89%	70.65%	75.03%
0.1476240%	0.1519330%	0.1530560%	0.1528324%	0.1490313%	0.1443820%
\$9,350,346	\$9,324,792	\$12,493,414	\$10,295,608	\$10,159,597	\$9,020,152
\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933
338.39%	311.12%	399.80%	315.42%	302.63%	270.15%
68.36%	70.91%	63.07%	69.89%	70.65%	75.03%

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

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

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

(1) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

2020	2021	2022
0.0570120%	0.0529060%	0.0532130%
\$7,874,838	(\$942,563)	(\$1,666,713)
\$8,607,257	\$8,166,186	\$8,300,414
91.49%	-11.54%	-20.08%
47.80%	115.57%	128.23%
0.1291656%	0.1105259%	0.1001415%
\$1,275,863	\$1,171,040	\$1,097,637
\$3,302,462	\$3,041,313	\$2,867,621
38.63%	38.50%	38.28%
41.62%	45.42%	46.86%
0.1528324%	0.1490313%	0.1443820%
\$1,509,637	\$1,579,011	\$1,582,551
\$3,264,146	\$3,357,133	\$3,338,933
46.25%	47.03%	47.40%
41.62%	45.42%	46.86%

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

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

See accompanying notes to the required supplementary information.

2016	2017	2018	2019	2020	2021	2022
\$890,400	\$1,037,868	\$1,185,030	\$1,205,016	\$1,143,266	\$1,162,058	\$1,399,867
148,400	79,836	0	0	0	0	0
1,038,800	1,117,704	1,185,030	1,205,016	1,143,266	1,162,058	1,399,867
1,038,800	1,117,704	1,185,030	1,205,016	1,143,266	1,162,058	1,399,867
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$528,938	\$568,869	\$594,719	\$627,468	\$577,849	\$544,848	\$659,835
13,919	14,970	15,651	16,512	15,207	14,338	17,364
542,857	583,839	610,370	643,980	593,056	559,186	677,199
542,857	583,839	610,370	643,980	593,056	559,186	677,199
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
19.50%	19.50%	19.50%	19.50%	19.50%	19.50%	19.50%
\$649,347	\$704,329	\$734,363	\$767,074	\$788,926	\$784,649	\$925,970
13,816	14,986	15,625	16,321	16,786	16,695	19,701
663,163	719,315	749,988	783,395	805,712	801,344	945,671
663,163	719,315	749,988	783,395	805,712	801,344	945,671
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%

Note 1 – Ohio Public Employees Retirement System

Pension

Changes in benefit terms

- There were no significant changes in benefit terms for 2015 through 2017.
- For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent.
- There were no significant changes in benefit terms for 2019 or 2020.
- For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.
- For 2022, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from .5 percent simple through 2021 then 2.15 percent simple to 3 percent simple through 2022 then 2.05 percent simple.

Changes in assumptions

- There were no significant changes in assumptions for 2015 through 2016.
- For 2017, the investment rate of return decreased from 8.0 percent to 7.5 percent.
- For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent.
- For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent.
- There were no significant changes in assumptions for 2020 or 2021.
- For 2022, the investment rate of return decreased from 7.2 percent to 6.9 percent.

OPEB

Changes in benefit terms

- There were no significant changes in benefit terms for 2018 through 2022.

Changes in assumptions

- Changes in assumptions for 2018 were as follows:
 - The single discount rate decreased from 4.23 percent to 3.85 percent.
 - The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.
- For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
 - The single discount rate increased from 3.85 percent to 3.96 percent.
 - The investment rate of return decreased from 6.5 percent to 6 percent.
 - The municipal bond rate increased from 3.31 percent to 3.71 percent.
 - The initial health care cost trend rate increased from 7.5 percent to 10 percent.
- For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
 - The single discount rate decreased from 3.96 percent to 3.16 percent.
 - The municipal bond rate decreased from 3.71 percent to 2.75 percent.
 - The initial health care cost trend rate increased from 10.00 percent to 10.50 percent.

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

- For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
 - The single discount rate increased from 3.16 percent to 6.00 percent.
 - The municipal bond rate decreased from 2.75 percent to 2.00 percent.
 - The initial health care cost trend rate decreased from 10.50 percent to 8.50 percent.
- For 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
 - The wage inflation rate decreased from 3.25 percent to 2.75 percent.
 - The municipal bond rate decreased from 2.00 percent to 1.84 percent.
 - The initial health care cost trend rate decreased from 8.50 percent to 5.50 percent.

Note 2 – Ohio Police and Fire Pension Fund

Pension

Changes in Assumptions

Amounts reported beginning in 2022 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2018 and in 2017 and prior are presented below:

	<u>Beginning in 2022</u>	
Valuation Date	January 1, 2021 with actuarial liabilities rolled forward to December 31, 2021	
Actuarial Cost Method	Entry Age Normal	
Investment Rate of Return	7.5 percent	
Projected Salary Increases	3.75 percent to 10.5 percent	
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	
Cost of Living Adjustments	2.2 percent simple per year	
	<u>2018 through 2021</u>	<u>2017 and Prior</u>
Valuation Date	January 1, 2017 with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016 with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increase based on the lesser of the increase in CPI and 3 percent

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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

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

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

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

OPEB

Changes in Assumptions

Single Discount Rate:

2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the investment rate of return decreased from 8 percent to 7.5 percent.

Changes in Benefit Terms

There were no significant changes in benefit terms for 2018.

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

There were no significant changes in benefit terms for 2020 through 2022.

City of Chillicothe, Ohio
Governmental Fund Descriptions

Nonmajor Special Revenue Funds

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

State Highway Fund

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

Parks and Recreation Fund

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

HUD Fund

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

Grants Fund

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

Cablevision Fund

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

Law Enforcement Fund

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

Indigent Drivers Alcohol Treatment Fund

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

OMVI Enforcement and Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

City of Chillicothe, Ohio
Governmental Fund Descriptions (Continued)

Police Pension Fund

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

Fire Pension Fund

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

COVID-19 Grant

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

One Ohio Opioid

To account for and report the use of opioid settlement funds received from the State of Ohio to aid in community recovery.

Nonmajor Debt Service Fund

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

Bond Retirement Fund

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

Nonmajor Capital Projects Funds

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

Capital Improvement Fund

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

Issue II Fund

To account for revenue from the State that is used for various street projects. This fund did not receive or expend any funds for the year, so a balance sheet and statement of revenues, expenditures, and changes in fund balance are not presented.

Safety Levy Capital Fund

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

Parks and Recreation Capital Fund

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

City of Chillicothe, Ohio
Governmental Fund Descriptions (Continued)

Nonmajor Permanent Fund

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

Carlisle Hill Fund

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

Funds Reported Separately for Budgetary Purposes

General Fund

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

Floodwall Fund

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

Landfill Closure

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

Streetscape

To account for streetscape maintenance expenses, which are covered by transfers from the general fund.

Unclaimed Monies

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

Postage Rotary

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

City of Chillicothe
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2022

	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	\$1,073,164	\$232,332	\$1,528,096	\$3,378	\$2,836,970
Cash and Cash Equivalents in Segregated Accounts	502	0	0	0	502
Materials and Supplies Inventory	88	0	0	0	88
Accounts Receivable	2,362	0	0	0	2,362
Intergovernmental Receivable	138,480	0	65,740	0	204,220
Prepaid Items	17,684	0	28,538	0	46,222
Income Taxes Receivable	121,339	0	202,232	0	323,571
Property Taxes Receivable	317,142	0	0	0	317,142
<i>Total Assets</i>	<u>\$1,670,761</u>	<u>\$232,332</u>	<u>\$1,824,606</u>	<u>\$3,378</u>	<u>\$3,731,077</u>
Liabilities:					
Accounts Payable	\$23,790	\$0	\$20,376	\$0	\$44,166
Accrued Wages and Benefits Payable	21,169	0	0	0	21,169
Contracts Payable	0	0	32,668	0	32,668
Intergovernmental Payable	178,106	0	0	0	178,106
Interfund Payable	0	0	250,000	0	250,000
<i>Total Liabilities</i>	<u>223,065</u>	<u>0</u>	<u>303,044</u>	<u>0</u>	<u>526,109</u>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year Operations	288,348	0	0	0	288,348
<i>Unavailable Revenue:</i>					
Property Taxes	21,460	0	0	0	21,460
Income Taxes	54,301	0	90,502	0	144,803
Grants and Entitlements	96,548	0	65,740	0	162,288
<i>Total Unavailable Revenue</i>	<u>172,309</u>	<u>0</u>	<u>156,242</u>	<u>0</u>	<u>328,551</u>
<i>Total Deferred Inflows of Resources</i>	<u>460,657</u>	<u>0</u>	<u>156,242</u>	<u>0</u>	<u>616,899</u>
Fund Balances:					
Nonspendable	17,772	0	28,538	1,000	47,310
Restricted	1,085,430	232,332	1,336,782	2,378	2,656,922
Assigned	5,765	0	0	0	5,765
Unassigned (Deficit)	(121,928)	0	0	0	(121,928)
<i>Total Fund Balances</i>	<u>987,039</u>	<u>232,332</u>	<u>1,365,320</u>	<u>3,378</u>	<u>2,588,069</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$1,670,761</u>	<u>\$232,332</u>	<u>\$1,824,606</u>	<u>\$3,378</u>	<u>\$3,731,077</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$254,990	\$0	\$0	\$0	\$254,990
Income Taxes	692,289	0	1,153,814	0	1,846,103
Charges for Services	216,923	0	0	0	216,923
Fines, Licenses, and Permits	36,111	0	0	0	36,111
Intergovernmental	508,821	0	316,287	0	825,108
Interest	30	0	37	0	67
Contributions and Donations	1,600	0	100	0	1,700
Other	2,328	0	38,644	0	40,972
<i>Total Revenues</i>	<u>1,713,092</u>	<u>0</u>	<u>1,508,882</u>	<u>0</u>	<u>3,221,974</u>
Expenditures:					
Current:					
General Government	35,667	0	500	0	36,167
<i>Security of Persons and Property:</i>					
Police	660,585	0	65,200	0	725,785
Fire	906,930	0	323,647	0	1,230,577
Leisure Time Services	849,213	0	110,479	0	959,692
Community Environment	159,363	0	0	0	159,363
Basic Utility Services	0	0	11	0	11
Transportation	213,509	0	14,756	0	228,265
Capital Outlay	252,771	0	808,994	0	1,061,765
Debt Service:					
Principal	85,266	0	268,367	0	353,633
Interest	8,191	0	40,229	0	48,420
<i>Total Expenditures</i>	<u>3,171,495</u>	<u>0</u>	<u>1,632,183</u>	<u>0</u>	<u>4,803,678</u>
<i>Excess of Revenues Under Expenditures</i>	(1,458,403)	0	(123,301)	0	(1,581,704)
Other Financing Sources					
Transfers In	1,230,040	0	0	0	1,230,040
<i>Total Other Financing Sources</i>	<u>1,230,040</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,230,040</u>
<i>Net Change in Fund Balances</i>	(228,363)	0	(123,301)	0	(351,664)
<i>Fund Balances at Beginning of Year</i>	<u>1,215,402</u>	<u>232,332</u>	<u>1,488,621</u>	<u>3,378</u>	<u>2,939,733</u>
<i>Fund Balances at End of Year</i>	<u>\$987,039</u>	<u>\$232,332</u>	<u>\$1,365,320</u>	<u>\$3,378</u>	<u>\$2,588,069</u>

City of Chillicothe
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2022

	State Highway	Parks and Recreation	HUD	Grants	Cablevision	Law Enforcement
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$55,201	\$212,997	\$959	\$240,099	\$5,765	\$63,792
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	0
Materials and Supplies Inventory	0	88	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	53,476	28,954	0	40,646	0	719
Prepaid Items	0	14,113	0	0	0	741
Income Taxes Receivable	0	121,339	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$108,677</u>	<u>\$377,491</u>	<u>\$959</u>	<u>\$280,745</u>	<u>\$5,765</u>	<u>\$65,252</u>
Liabilities:						
Accounts Payable	\$0	\$17,844	\$0	\$0	\$0	\$840
Accrued Wages and Benefits Payable	0	12,322	0	0	0	0
Intergovernmental Payable	0	6,435	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>36,601</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>840</u>
Deferred Inflows of Resources:						
Property Taxes not Levied to Finance Current Year Operations	0	0	0	0	0	0
<i>Unavailable Revenue:</i>						
Property Taxes	0	0	0	0	0	0
Income Taxes	0	54,301	0	0	0	0
Grants and Entitlements	35,651	28,763	0	17,500	0	0
<i>Total Unavailable Revenue</i>	<u>35,651</u>	<u>83,064</u>	<u>0</u>	<u>17,500</u>	<u>0</u>	<u>0</u>
<i>Total Deferred Inflows of Resources</i>	<u>35,651</u>	<u>83,064</u>	<u>0</u>	<u>17,500</u>	<u>0</u>	<u>0</u>
Fund Balances:						
Nonspendable	0	14,201	0	0	0	741
Restricted	73,026	243,625	959	263,245	0	63,671
Assigned	0	0	0	0	5,765	0
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances</i>	<u>73,026</u>	<u>257,826</u>	<u>959</u>	<u>263,245</u>	<u>5,765</u>	<u>64,412</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$108,677</u>	<u>\$377,491</u>	<u>\$959</u>	<u>\$280,745</u>	<u>\$5,765</u>	<u>\$65,252</u>

Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	COVID-19 Grant	One Ohio Opioid	Total Nonmajor Special Revenue Funds
\$333,874	\$27,284	\$11,061	\$55,198	\$19,999	\$19,999	\$0	\$26,936	\$1,073,164
417	85	0	0	0	0	0	0	502
0	0	0	0	0	0	0	0	88
0	0	0	2,362	0	0	0	0	2,362
0	0	0	51	7,317	7,317	0	0	138,480
0	0	0	2,830	0	0	0	0	17,684
0	0	0	0	0	0	0	0	121,339
0	0	0	0	158,571	158,571	0	0	317,142
<u>\$334,291</u>	<u>\$27,369</u>	<u>\$11,061</u>	<u>\$60,441</u>	<u>\$185,887</u>	<u>\$185,887</u>	<u>\$0</u>	<u>\$26,936</u>	<u>\$1,670,761</u>
\$0	\$0	\$0	\$5,106	\$0	\$0	\$0	\$0	\$23,790
0	0	0	8,847	0	0	0	0	21,169
0	0	0	2,411	71,529	97,731	0	0	178,106
0	0	0	16,364	71,529	97,731	0	0	223,065
0	0	0	0	144,174	144,174	0	0	288,348
0	0	0	0	10,730	10,730	0	0	21,460
0	0	0	0	0	0	0	0	54,301
0	0	0	0	7,317	7,317	0	0	96,548
0	0	0	0	18,047	18,047	0	0	172,309
0	0	0	0	162,221	162,221	0	0	460,657
0	0	0	2,830	0	0	0	0	17,772
334,291	27,369	11,061	41,247	0	0	0	26,936	1,085,430
0	0	0	0	0	0	0	0	5,765
0	0	0	0	(47,863)	(74,065)	0	0	(121,928)
<u>334,291</u>	<u>27,369</u>	<u>11,061</u>	<u>44,077</u>	<u>(47,863)</u>	<u>(74,065)</u>	<u>0</u>	<u>26,936</u>	<u>987,039</u>
<u>\$334,291</u>	<u>\$27,369</u>	<u>\$11,061</u>	<u>\$60,441</u>	<u>\$185,887</u>	<u>\$185,887</u>	<u>\$0</u>	<u>\$26,936</u>	<u>\$1,670,761</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	State Highway	Parks and Recreation	HUD	Grants	Cablevision	Law Enforcement
Revenues:						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	692,289	0	0	0	0
Charges for Services	0	115,329	5,001	0	0	0
Fines, Licenses, and Permits	0	0	0	0	0	0
Intergovernmental	107,223	0	130,000	206,142	0	9,254
Interest	0	22	8	0	0	0
Contributions and Donations	0	1,600	0	0	0	0
Other	0	1,881	0	0	0	0
<i>Total Revenues</i>	<u>107,223</u>	<u>811,121</u>	<u>135,009</u>	<u>206,142</u>	<u>0</u>	<u>9,254</u>
Expenditures:						
Current:						
General Government	0	0	0	35,663	0	0
<i>Security of Persons and Property:</i>						
Police	0	0	0	0	0	12,340
Fire	0	0	0	0	0	0
Leisure Time Services	0	849,213	0	0	0	0
Community Environment	0	0	159,363	0	0	0
Transportation	0	0	0	0	0	0
Capital Outlay	99,999	0	0	0	0	0
Debt Service:						
Principal	20,652	675	0	0	0	0
Interest	2,478	13	0	0	0	0
<i>Total Expenditures</i>	<u>123,129</u>	<u>849,901</u>	<u>159,363</u>	<u>35,663</u>	<u>0</u>	<u>12,340</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,906)	(38,780)	(24,354)	170,479	0	(3,086)
Other Financing Sources						
Transfers In	0	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(15,906)	(38,780)	(24,354)	170,479	0	(3,086)
<i>Fund Balances at Beginning of Year</i>	<u>88,932</u>	<u>296,606</u>	<u>25,313</u>	<u>92,766</u>	<u>5,765</u>	<u>67,498</u>
<i>Fund Balances at End of Year</i>	<u>\$73,026</u>	<u>\$257,826</u>	<u>\$959</u>	<u>\$263,245</u>	<u>\$5,765</u>	<u>\$64,412</u>

Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	COVID-19 Grant	One Ohio Opioid	Totad Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$127,495	\$127,495	\$0	\$0	\$254,990
0	0	0	0	0	0	0	0	692,289
0	0	0	96,593	0	0	0	0	216,923
24,612	1,426	710	9,363	0	0	0	0	36,111
0	0	0	0	14,633	14,633	0	26,936	508,821
0	0	0	0	0	0	0	0	30
0	0	0	0	0	0	0	0	1,600
0	0	0	447	0	0	0	0	2,328
24,612	1,426	710	106,403	142,128	142,128	0	26,936	1,713,092
0	0	0	0	0	0	4	0	35,667
0	0	0	0	648,245	0	0	0	660,585
0	0	0	0	0	906,930	0	0	906,930
0	0	0	0	0	0	0	0	849,213
0	0	0	0	0	0	0	0	159,363
0	0	0	213,509	0	0	0	0	213,509
0	0	0	152,772	0	0	0	0	252,771
0	0	0	28,939	7,910	27,090	0	0	85,266
0	0	0	2,700	678	2,322	0	0	8,191
0	0	0	397,920	656,833	936,342	4	0	3,171,495
24,612	1,426	710	(291,517)	(514,705)	(794,214)	(4)	26,936	(1,458,403)
0	0	0	50,000	463,307	716,733	0	0	1,230,040
0	0	0	50,000	463,307	716,733	0	0	1,230,040
24,612	1,426	710	(241,517)	(51,398)	(77,481)	(4)	26,936	(228,363)
309,679	25,943	10,351	285,594	3,535	3,416	4	0	1,215,402
\$334,291	\$27,369	\$11,061	\$44,077	(\$47,863)	(\$74,065)	\$0	\$26,936	\$987,039

City of Chillicothe
Combining Balance Sheet
Nonmajor Capital Projects Funds
As of December 31, 2022

	Capital Improvement	Issue II	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$18,040	\$0	\$1,088,047	\$422,009	\$1,528,096
Intergovernmental Receivable	0	0	0	65,740	65,740
Prepaid Items	0	0	28,538	0	28,538
Income Taxes Receivable	0	0	161,786	40,446	202,232
<i>Total Assets</i>	<u>\$18,040</u>	<u>\$0</u>	<u>\$1,278,371</u>	<u>\$528,195</u>	<u>\$1,824,606</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$16,301	\$4,075	\$20,376
Contracts Payable	0	0	21,568	11,100	32,668
Interfund Payable	0	0	0	250,000	250,000
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>37,869</u>	<u>265,175</u>	<u>303,044</u>
Deferred Inflows of Resources:					
<i>Unavailable Revenue:</i>					
Income Taxes	0	0	72,402	18,100	90,502
Grants and Entitlements	0	0	0	65,740	65,740
<i>Total Unavailable Revenue</i>	<u>0</u>	<u>0</u>	<u>72,402</u>	<u>83,840</u>	<u>156,242</u>
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>72,402</u>	<u>83,840</u>	<u>156,242</u>
Fund Balances:					
Nonspendable	0	0	28,538	0	28,538
Restricted	18,040	0	1,139,562	179,180	1,336,782
<i>Total Fund Balances</i>	<u>18,040</u>	<u>0</u>	<u>1,168,100</u>	<u>179,180</u>	<u>1,365,320</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$18,040</u>	<u>\$0</u>	<u>\$1,278,371</u>	<u>\$528,195</u>	<u>\$1,824,606</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022

	Capital Improvement	Issue II	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Revenues:					
Income Taxes	\$0	\$0	\$923,052	\$230,762	\$1,153,814
Intergovernmental	0	252,881	63,406	0	316,287
Interest	0	0	30	7	37
Contributions and Donations	0	0	0	100	100
Other	1,307	0	37,337	0	38,644
<i>Total Revenues</i>	<u>1,307</u>	<u>252,881</u>	<u>1,023,825</u>	<u>230,869</u>	<u>1,508,882</u>
Expenditures:					
Current:					
General Government	500	0	0	0	500
<i>Security of Persons and Property:</i>					
Police	0	0	65,200	0	65,200
Fire	0	0	323,647	0	323,647
Leisure Time Services	0	0	0	110,479	110,479
Basic Utility Services	11	0	0	0	11
Transportation	14,756	0	0	0	14,756
Capital Outlay	0	252,881	318,016	238,097	808,994
Debt Service:					
Principal	0	0	232,003	36,364	268,367
Interest	0	0	19,529	20,700	40,229
<i>Total Expenditures</i>	<u>15,267</u>	<u>252,881</u>	<u>958,395</u>	<u>405,640</u>	<u>1,632,183</u>
<i>Net Change in Fund Balances</i>	(13,960)	0	65,430	(174,771)	(123,301)
<i>Fund Balances at Beginning of Year</i>	<u>32,000</u>	<u>0</u>	<u>1,102,670</u>	<u>353,951</u>	<u>1,488,621</u>
<i>Fund Balances at End of Year</i>	<u>\$18,040</u>	<u>\$0</u>	<u>\$1,168,100</u>	<u>\$179,180</u>	<u>\$1,365,320</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$1,050,860	\$1,060,930	\$1,060,930	\$0
Income Taxes	12,064,500	14,186,973	14,187,042	69
Other Local Taxes	360,000	425,341	425,341	0
Special Assessments	25,000	11,196	11,196	0
Charges for Services	3,935,871	3,764,747	3,760,596	(4,151)
Fines, Licenses, and Permits	1,342,541	1,611,489	1,611,067	(422)
Intergovernmental	1,325,122	1,371,802	1,371,802	0
Interest	150,000	102,522	102,522	0
Contributions and Donations	13,000	4,250	4,250	0
Other	935,543	739,846	66,873	(672,973)
<i>Total Revenues</i>	21,202,437	23,279,096	22,601,619	(677,477)
Expenditures:				
Current:				
General Government				
Mayor				
Personal Services	316,965	315,710	297,788	17,922
Fringe Benefits	186,553	182,803	150,062	32,741
Travel Transportation	1,697	2,850	1,692	1,158
Contractual Services	156,846	238,173	230,462	7,711
Materials and Supplies	5,688	9,550	7,862	1,688
Other	598	167	0	167
<i>Total Mayor</i>	668,347	749,253	687,866	61,387
IT Technology				
Personal Services	52,896	43,071	40,735	2,336
Fringe Benefits	23,546	21,705	17,811	3,894
Travel Transportation	200	100	63	37
Contractual Services	10,500	39,645	14,738	24,907
Materials and Supplies	1,200	2,155	830	1,325
Capital Outlay	0	2,170	2,170	0
Other	500	500	0	500
<i>Total IT Technology</i>	88,842	109,346	76,347	32,999
City Council				
Personal Services	95,361	95,361	90,877	4,484
Fringe Benefits	185,677	181,967	126,990	54,977
Contractual Services	2,400	2,300	2,208	92
Materials and Supplies	200	300	211	89
<i>Total City Council</i>	283,638	279,928	220,286	59,642
Treasurer				
Personal Services	13,007	12,607	12,405	202
Fringe Benefits	40,912	41,312	36,195	5,117
Contractual Services	27,000	27,000	17,200	9,800
<i>Total Treasurer</i>	80,919	80,919	65,800	15,119

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income Tax Department				
Personal Services	\$119,848	\$118,760	\$113,517	\$5,243
Fringe Benefits	103,329	103,666	77,392	26,274
Travel Transportation	1,000	750	0	750
Contractual Services	21,388	40,101	39,291	810
Materials and Supplies	1,700	1,730	862	868
Other	15,550	50	0	50
<i>Total Income Tax Department</i>	262,815	265,057	231,062	33,995
Land and Buildings				
Contractual Services	323,040	228,881	215,613	13,268
Materials and Supplies	20,500	23,100	21,528	1,572
<i>Total Land and Buildings</i>	343,540	251,981	237,141	14,840
Law Director				
Personal Services	416,948	447,731	434,115	13,616
Fringe Benefits	347,273	356,985	321,703	35,282
Contractual Services	30,200	63,638	48,477	15,161
Materials and Supplies	388	5,740	3,925	1,815
Other	39,377	78,060	77	77,983
<i>Total Law Director</i>	834,186	952,154	808,297	143,857
Auditor				
Personal Services	366,659	322,891	314,483	8,408
Fringe Benefits	249,907	211,196	191,664	19,532
Travel Transportation	2,500	2,500	1,052	1,448
Contractual Services	7,400	4,847	1,662	3,185
Materials and Supplies	4,500	3,693	2,104	1,589
Other	100	100	0	100
<i>Total Auditor</i>	631,066	545,227	510,965	34,262
Municipal Court				
Personal Services	1,207,410	1,301,317	1,289,043	12,274
Fringe Benefits	734,225	726,918	647,031	79,887
Travel Transportation	8,000	7,000	2,435	4,565
Contractual Services	362,879	322,928	226,571	96,357
Materials and Supplies	94,100	108,065	57,206	50,859
Other	12,250	2,071	104	1,967
<i>Total Municipal Court</i>	2,418,864	2,468,299	2,222,390	245,909

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Victim Witness				
Personal Services	\$40,491	\$40,222	\$535	\$39,687
Fringe Benefits	7,059	7,328	0	7,328
<i>Total Victim Witness</i>	47,550	47,550	535	47,015
Civil Service				
Travel Transportation	500	210	205	5
Contractual Services	21,050	25,852	23,054	2,798
Materials and Supplies	1,950	2,450	2,362	88
<i>Total Civil Service</i>	23,500	28,512	25,621	2,891
JRIG				
Personal Services	48,747	50,952	50,725	227
Fringe Benefits	46,253	55,180	48,636	6,544
<i>Total JRIG</i>	95,000	106,132	99,361	6,771
Service Department				
Personal Services	122,996	122,547	120,087	2,460
Fringe Benefits	74,941	88,824	80,376	8,448
Contractual Services	14,337	5,300	4,481	819
Materials and Supplies	2,450	2,550	1,332	1,218
Other	0	500	225	275
<i>Total Service Department</i>	214,724	219,721	206,501	13,220
Engineering				
Personal Services	287,216	262,415	257,251	5,164
Fringe Benefits	192,982	162,206	144,329	17,877
Travel Transportation	0	1	0	1
Contractual Services	29,200	37,282	27,928	9,354
Materials and Supplies	7,777	9,929	6,280	3,649
Other	78	100	0	100
<i>Total Engineering</i>	517,253	471,933	435,788	36,145
Code Enforcement				
Travel Transportation	0	500	0	500
Contractual Services	8,750	58,107	16,194	41,913
Materials and Supplies	1,200	1,093	396	697
Other	0	250	0	250
<i>Total Code Enforcement</i>	9,950	59,950	16,590	43,360

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Defense				
Other	\$6,350	\$6,350	\$6,350	\$0
<i>Total Civil Defense</i>	6,350	6,350	6,350	0
Miscellaneous				
Fringe Benefits	7,500	7,500	97	7,403
Travel Transportation	500	500	0	500
Contractual Services	596,631	614,412	531,235	83,177
Materials and Supplies	3,825	7,231	2,457	4,774
Other	27,500	47,015	44,482	2,533
<i>Total Miscellaneous</i>	635,956	676,658	578,271	98,387
Planning Commission				
Materials and Supplies	100	100	95	5
<i>Total Planning Commission</i>	100	100	95	5
<i>Total General Government</i>	7,162,600	7,319,070	6,429,266	889,804
<i>Security of Persons and Property</i>				
Police				
Personal Services	3,896,572	3,873,453	3,866,833	6,620
Fringe Benefits	2,421,608	1,858,773	1,658,781	199,992
Contractual Services	338,512	403,463	398,387	5,076
Materials and Supplies	96,158	114,608	112,072	2,536
Other	10,883	12,971	9,223	3,748
<i>Total Police</i>	6,763,733	6,263,268	6,045,296	217,972
Fire				
Personal Services	3,119,966	3,925,751	3,920,102	5,649
Fringe Benefits	2,127,154	1,665,197	1,486,180	179,017
Travel Transportation	0	1,660	1,658	2
Contractual Services	147,778	142,259	139,062	3,197
Materials and Supplies	237,392	228,527	219,835	8,692
Other	883	850	525	325
<i>Total Fire</i>	5,633,173	5,964,244	5,767,362	196,882
<i>Total Security of Persons and Property</i>	12,396,906	12,227,512	11,812,658	414,854
Leisure Time Services				
Mayor - Special Projects				
Contractual Services	0	15,000	15,000	0
Other	0	825	0	825
<i>Total Mayor - Special Projects</i>	0	15,825	15,000	825
<i>Total Leisure Time Services</i>	0	15,825	15,000	825

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Design and Review				
Materials and Supplies	\$0	\$125	\$125	\$0
Other	0	200	150	50
<i>Total Design and Review</i>	<u>0</u>	<u>325</u>	<u>275</u>	<u>50</u>
Economic Development				
Capital Outlay	15,000	15,000	0	15,000
Other	0	2,500	2,431	69
<i>Total Economic Development</i>	<u>15,000</u>	<u>17,500</u>	<u>2,431</u>	<u>15,069</u>
<i>Total Community Environment</i>	<u>15,000</u>	<u>17,825</u>	<u>2,706</u>	<u>15,119</u>
Basic Utility Services				
Refuse				
Personal Services	446,252	424,497	411,810	12,687
Fringe Benefits	253,788	263,343	230,898	32,445
Contractual Services	539,279	434,759	401,688	33,071
Materials and Supplies	25,216	83,507	83,423	84
Other	1,510	5,000	0	5,000
<i>Total Refuse</i>	<u>1,266,045</u>	<u>1,211,106</u>	<u>1,127,819</u>	<u>83,287</u>
Recycling				
Personal Services	\$97,027	\$95,860	\$87,423	\$8,437
Fringe Benefits	63,430	52,597	51,999	598
Contractual Services	56,676	59,251	59,121	130
Materials and Supplies	18,653	19,500	16,480	3,020
Other	477	500	0	500
<i>Total Recycling</i>	<u>236,263</u>	<u>227,708</u>	<u>215,023</u>	<u>12,685</u>
<i>Total Basic Utility Services</i>	<u>1,502,308</u>	<u>1,438,814</u>	<u>1,342,842</u>	<u>95,972</u>
Transportation				
Streets and Sidewalks				
Contractual Services	330,000	330,000	194,929	135,071
<i>Total Streets and Sidewalks</i>	<u>330,000</u>	<u>330,000</u>	<u>194,929</u>	<u>135,071</u>
<i>Total Transportation</i>	<u>330,000</u>	<u>330,000</u>	<u>194,929</u>	<u>135,071</u>
Capital Outlay:				
Capital Outlay	429,828	1,068,125	712,031	356,094
<i>Total Capital Outlay</i>	<u>429,828</u>	<u>1,068,125</u>	<u>712,031</u>	<u>356,094</u>
Debt Service:				
Principal	0	265,786	265,786	0
Interest	0	78,658	78,658	0
<i>Total Debt Service</i>	<u>0</u>	<u>344,444</u>	<u>344,444</u>	<u>0</u>
<i>Total Expenditures</i>	<u>21,836,642</u>	<u>22,761,615</u>	<u>20,853,876</u>	<u>1,907,739</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(634,205)	517,481	1,747,743	1,230,262

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Transfers In	\$4,511,339	\$5,478,884	\$4,827,183	(\$651,701)
General Obligation Bonds Issued	200,000	0	0	0
Proceeds from Sale of Capital Assets	5,000	4,507	4,507	0
Advances In	250,000	0	0	0
Transfers Out	(4,652,170)	(6,708,028)	(6,650,764)	57,264
<i>Total Other Financing Sources (Uses)</i>	314,169	(1,224,637)	(1,819,074)	(594,437)
<i>Net Change in Fund Balances</i>	(320,036)	(707,156)	(71,331)	635,825
<i>Fund Balances at Beginning of Year</i>	4,368,427	4,368,427	4,368,427	0
<i>Prior Year Encumbrances Appropriated</i>	405,934	405,934	405,934	0
<i>Fund Balances at End of Year</i>	\$4,454,325	\$4,067,205	\$4,703,030	\$635,825

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$1,609,000	\$1,890,526	\$1,890,535	\$9
Intergovernmental	1,460,000	1,323,278	1,323,278	0
Interest	0	59	59	0
Other	28,365	265,879	90,318	(175,561)
<i>Total Revenues</i>	<u>3,097,365</u>	<u>3,479,742</u>	<u>3,304,190</u>	<u>(175,552)</u>
Expenditures:				
Current:				
Transportation				
Personal Services	551,039	563,799	559,795	4,004
Fringe Benefits	330,023	337,665	304,747	32,918
Contractual Services	867,682	507,322	502,800	4,522
Materials and Supplies	378,758	236,879	218,324	18,555
<i>Total Transportation</i>	<u>2,127,502</u>	<u>1,645,665</u>	<u>1,585,666</u>	<u>59,999</u>
Capital Outlay:				
Capital Outlay	1,730,000	2,253,801	1,745,703	508,098
<i>Total Capital Outlay</i>	<u>1,730,000</u>	<u>2,253,801</u>	<u>1,745,703</u>	<u>508,098</u>
Debt Service:				
Principal	0	593,470	593,470	0
Interest	0	74,630	74,630	0
<i>Total Debt Service</i>	<u>0</u>	<u>668,100</u>	<u>668,100</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,857,502</u>	<u>4,567,566</u>	<u>3,999,469</u>	<u>568,097</u>
<i>Excess of Revenues Under Expenditures</i>	(760,137)	(1,087,824)	(695,279)	392,545
Other Financing Sources (Uses)				
Transfers In	1,508,000	1,520,500	1,520,500	0
Transfers Out	(1,553,000)	(1,579,400)	(1,558,000)	21,400
<i>Total Other Financing Sources (Uses)</i>	<u>(45,000)</u>	<u>(58,900)</u>	<u>(37,500)</u>	<u>21,400</u>
<i>Net Change in Fund Balances</i>	(805,137)	(1,146,724)	(732,779)	413,945
<i>Fund Balances at Beginning of Year</i>	2,014,100	2,014,100	2,014,100	0
<i>Prior Year Encumbrances Appropriated</i>	345,552	345,552	345,552	0
<i>Fund Balances at End of Year</i>	<u>\$1,554,515</u>	<u>\$1,212,928</u>	<u>\$1,626,873</u>	<u>\$413,945</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$1,137,701	\$1,146,785	\$1,146,785	\$0
<i>Total Revenues</i>	<u>1,137,701</u>	<u>1,146,785</u>	<u>1,146,785</u>	<u>0</u>
Expenditures:				
Current:				
Basic Utility Services				
Other	265,000	265,000	44,374	220,626
<i>Total Basic Utility Services</i>	<u>265,000</u>	<u>265,000</u>	<u>44,374</u>	<u>220,626</u>
<i>Total Expenditures</i>	<u>265,000</u>	<u>265,000</u>	<u>44,374</u>	<u>220,626</u>
<i>Net Change in Fund Balances</i>	872,701	881,785	1,102,411	220,626
<i>Fund Balances at Beginning of Year</i>	<u>1,137,701</u>	<u>1,137,701</u>	<u>1,137,701</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,010,402</u></u>	<u><u>\$2,019,486</u></u>	<u><u>\$2,240,112</u></u>	<u><u>\$220,626</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
ARPA Violent Crimes Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$1,602,588	\$1,602,588	\$1,602,588	\$0
Other	0	149	0	(149)
<i>Total Revenues</i>	1,602,588	1,602,737	1,602,588	(149)
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	1,590,588	1,590,088	4,238	1,585,850
Fringe Benefits	0	500	61	439
Contractual Services	12,000	12,000	0	12,000
<i>Total Police</i>	1,602,588	1,602,588	4,299	1,598,289
<i>Total Security of Persons and Property</i>	1,602,588	1,602,588	4,299	1,598,289
<i>Total Expenditures</i>	1,602,588	1,602,588	4,299	1,598,289
<i>Net Change in Fund Balances</i>	0	149	1,598,289	1,598,140
<i>Fund Balances at Beginning of Year</i>	0	0	0	0
<i>Fund Balances at End of Year</i>	\$0	\$149	\$1,598,289	\$1,598,140

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$804,500	\$945,881	\$945,885	\$4
Charges for Services	3,125,000	4,224,069	3,791,100	(432,969)
Intergovernmental	3,561,240	3,141,418	3,141,418	0
Interest	0	30	30	0
Contributions and Donations	0	20	20	0
Other	95,000	125,139	55,104	(70,035)
<i>Total Revenues</i>	<u>7,585,740</u>	<u>8,436,557</u>	<u>7,933,557</u>	<u>(503,000)</u>
Expenditures:				
Current:				
Transportation				
Personal Services	1,804,138	1,804,138	1,605,639	198,499
Fringe Benefits	1,157,172	1,157,172	928,389	228,783
Travel Transportation	0	2,650	78	2,572
Contractual Services	3,617,702	4,143,603	3,870,168	273,435
Materials and Supplies	257,611	295,060	279,319	15,741
Other	2,095	2,400	82	2,318
<i>Total Transportation</i>	<u>6,838,718</u>	<u>7,405,023</u>	<u>6,683,675</u>	<u>721,348</u>
Capital Outlay:				
Capital Outlay	143,989	306,814	235,651	71,163
<i>Total Capital Outlay</i>	<u>143,989</u>	<u>306,814</u>	<u>235,651</u>	<u>71,163</u>
Debt Service:				
Principal	0	41,783	41,783	0
Interest	0	28,140	28,140	0
<i>Total Debt Service</i>	<u>0</u>	<u>69,923</u>	<u>69,923</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,982,707</u>	<u>7,781,760</u>	<u>6,989,249</u>	<u>792,511</u>
<i>Excess of Revenues Over Expenditures</i>	603,033	654,797	944,308	289,511
Other Financing Sources (Uses)				
Transfers In	0	54,138	54,138	0
Transfers Out	0	(116,076)	(72,888)	43,188
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(61,938)</u>	<u>(18,750)</u>	<u>43,188</u>
<i>Net Change in Fund Balances</i>	603,033	592,859	925,558	332,699
<i>Fund Balances at Beginning of Year</i>	3,257,814	3,257,814	3,257,814	0
<i>Prior Year Encumbrances Appropriated</i>	217,969	217,969	217,969	0
<i>Fund Balances at End of Year</i>	<u>\$4,078,816</u>	<u>\$4,068,642</u>	<u>\$4,401,341</u>	<u>\$332,699</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
State Highway Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$93,000	\$107,292	\$107,292	\$0
<i>Total Revenues</i>	<u>93,000</u>	<u>107,292</u>	<u>107,292</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	100,000	100,000	99,999	1
<i>Total Capital Outlay</i>	<u>100,000</u>	<u>100,000</u>	<u>99,999</u>	<u>1</u>
Debt Service:				
Principal	20,652	20,652	20,652	0
Interest	2,478	2,478	2,478	0
<i>Total Debt Service</i>	<u>23,130</u>	<u>23,130</u>	<u>23,130</u>	<u>0</u>
<i>Total Expenditures</i>	<u>123,130</u>	<u>123,130</u>	<u>123,129</u>	<u>1</u>
<i>Net Change in Fund Balances</i>	(30,130)	(15,838)	(15,837)	1
<i>Fund Balances at Beginning of Year</i>	<u>71,038</u>	<u>71,038</u>	<u>71,038</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$40,908</u></u>	<u><u>\$55,200</u></u>	<u><u>\$55,201</u></u>	<u><u>\$1</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parks and Recreation Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$603,375	\$709,411	\$709,414	\$3
Charges for Services	119,200	117,079	115,329	(1,750)
Interest	0	22	22	0
Contributions and Donations	0	1,600	1,600	0
Other	25,600	16,781	1,881	(14,900)
<i>Total Revenues</i>	748,175	844,893	828,246	(16,647)
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Personal Services	351,519	383,988	378,589	5,399
Fringe Benefits	167,547	200,358	175,427	24,931
Contractual Services	79,108	90,211	89,877	334
Materials and Supplies	61,600	82,344	74,002	8,342
Other	16,288	2,060	206	1,854
<i>Total Parks and Recreation</i>	676,062	758,961	718,101	40,860
Swimming Pool				
Personal Services	67,000	67,377	67,377	0
Fringe Benefits	13,000	11,928	11,919	9
Contractual Services	16,500	11,932	8,694	3,238
Materials and Supplies	35,300	39,127	38,230	897
Other	1,500	2,071	1,371	700
<i>Total Swimming Pool</i>	133,300	132,435	127,591	4,844
<i>Total Leisure Time Services</i>	809,362	891,396	845,692	45,704
Debt Service:				
Principal	0	675	675	0
Interest	0	13	13	0
<i>Total Debt Service</i>	0	688	688	0
<i>Total Expenditures</i>	809,362	892,084	846,380	45,704
<i>Net Change in Fund Balances</i>	(61,187)	(47,191)	(18,134)	29,057
<i>Fund Balances at Beginning of Year</i>	281,163	281,163	281,163	0
<i>Fund Balances at End of Year</i>	\$219,976	\$233,972	\$263,029	\$29,057

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
HUD Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$0	\$5,001	\$5,001	\$0
Intergovernmental	0	130,000	130,000	0
Interest	0	8	8	0
<i>Total Revenues</i>	0	135,009	135,009	0
Expenditures:				
Current:				
Community Environment				
Rehabilitation and Development				
Contractual Services	0	159,363	159,363	0
<i>Total Rehabilitation and Development</i>	0	159,363	159,363	0
<i>Total Community Environment</i>	0	159,363	159,363	0
<i>Total Expenditures</i>	0	159,363	159,363	0
<i>Net Change in Fund Balances</i>	0	(24,354)	(24,354)	0
<i>Fund Balances at Beginning of Year</i>	25,313	25,313	25,313	0
<i>Fund Balances at End of Year</i>	\$25,313	\$959	\$959	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Grants Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$117,550	\$185,947	\$185,947	\$0
<i>Total Revenues</i>	<u>117,550</u>	<u>185,947</u>	<u>185,947</u>	<u>0</u>
Expenditures:				
Current:				
General Government				
Victim Witness				
Personal Services	0	35,663	35,663	0
<i>Total Victim Witness</i>	<u>0</u>	<u>35,663</u>	<u>35,663</u>	<u>0</u>
<i>Total General Government</i>	<u>0</u>	<u>35,663</u>	<u>35,663</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>35,663</u>	<u>35,663</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	117,550	150,284	150,284	0
Other Financing Uses				
Transfers Out	(117,550)	(81,887)	0	81,887
<i>Total Other Financing Uses</i>	<u>(117,550)</u>	<u>(81,887)</u>	<u>0</u>	<u>81,887</u>
<i>Net Change in Fund Balances</i>	0	68,397	150,284	81,887
<i>Fund Balances at Beginning of Year</i>	<u>89,815</u>	<u>89,815</u>	<u>89,815</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$89,815</u></u>	<u><u>\$158,212</u></u>	<u><u>\$240,099</u></u>	<u><u>\$81,887</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Cablevision Fund
For the Year Ended December 31, 2022

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

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Law Enforcement Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$20,000	\$0	\$0	\$0
Intergovernmental	0	8,535	8,535	0
<i>Total Revenues</i>	20,000	8,535	8,535	0
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	42,300	46,181	11,498	34,683
<i>Total Police</i>	42,300	46,181	11,498	34,683
<i>Total Security of Persons and Property</i>	42,300	46,181	11,498	34,683
<i>Total Expenditures</i>	42,300	46,181	11,498	34,683
<i>Net Change in Fund Balances</i>	(22,300)	(37,646)	(2,963)	34,683
<i>Fund Balances at Beginning of Year</i>	66,755	66,755	66,755	0
<i>Fund Balances at End of Year</i>	\$44,455	\$29,109	\$63,792	\$34,683

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Indigent Driver's Alcohol Treatment Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Licenses, and Permits	\$25,000	\$25,052	\$25,052	\$0
<i>Total Revenues</i>	<u>25,000</u>	<u>25,052</u>	<u>25,052</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Contractual Services	50,000	50,000	0	50,000
Other	89,720	89,720	0	89,720
<i>Total Police</i>	<u>139,720</u>	<u>139,720</u>	<u>0</u>	<u>139,720</u>
<i>Total Security of Persons and Property</i>	<u>139,720</u>	<u>139,720</u>	<u>0</u>	<u>139,720</u>
<i>Total Expenditures</i>	<u>139,720</u>	<u>139,720</u>	<u>0</u>	<u>139,720</u>
<i>Net Change in Fund Balances</i>	(114,720)	(114,668)	25,052	139,720
<i>Fund Balances at Beginning of Year</i>	<u>308,822</u>	<u>308,822</u>	<u>308,822</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$194,102</u></u>	<u><u>\$194,154</u></u>	<u><u>\$333,874</u></u>	<u><u>\$139,720</u></u>

City of Chillicothe

*Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
OMVI Enforcement and Education Fund
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Licenses, and Permits	\$2,000	\$1,365	\$1,365	\$0
<i>Total Revenues</i>	<u>2,000</u>	<u>1,365</u>	<u>1,365</u>	<u>0</u>
Expenditures:				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,000	1,365	1,365	0
<i>Fund Balances at Beginning of Year</i>	<u>25,919</u>	<u>25,919</u>	<u>25,919</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$27,919</u>	<u>\$27,284</u>	<u>\$27,284</u>	<u>\$0</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Mandatory Drug Fines Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines, Licenses, and Permits	\$3,000	\$720	\$720	\$0
<i>Total Revenues</i>	3,000	720	720	0
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	3,000	3,000	0	3,000
<i>Total Police</i>	3,000	3,000	0	3,000
<i>Total Security of Persons and Property</i>	3,000	3,000	0	3,000
<i>Total Expenditures</i>	3,000	3,000	0	3,000
<i>Net Change in Fund Balances</i>	0	(2,280)	720	3,000
<i>Fund Balances at Beginning of Year</i>	10,341	10,341	10,341	0
<i>Fund Balances at End of Year</i>	\$10,341	\$8,061	\$11,061	\$3,000

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parking Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$65,000	\$96,448	\$96,448	\$0
Fines, Licenses, and Permits	22,566	9,363	9,363	0
Other	0	4,237	447	(3,790)
<i>Total Revenues</i>	<u>87,566</u>	<u>110,048</u>	<u>106,258</u>	<u>(3,790)</u>
Expenditures:				
Current:				
Transportation				
Traffic Control and Parking Facility				
Personal Services	111,591	122,391	118,290	4,101
Fringe Benefits	49,199	50,399	46,001	4,398
Contractual Services	36,250	15,471	14,848	623
Materials and Supplies	5,600	33,116	28,642	4,474
<i>Total Traffic Control and Parking Facility</i>	<u>202,640</u>	<u>221,377</u>	<u>207,781</u>	<u>13,596</u>
<i>Total Transportation</i>	<u>202,640</u>	<u>221,377</u>	<u>207,781</u>	<u>13,596</u>
Capital Outlay:				
Capital Outlay	5,000	156,774	156,772	2
<i>Total Capital Outlay</i>	<u>5,000</u>	<u>156,774</u>	<u>156,772</u>	<u>2</u>
Debt Service:				
Principal	28,939	28,939	28,939	0
Interest	2,700	2,700	2,700	0
<i>Total Debt Service</i>	<u>31,639</u>	<u>31,639</u>	<u>31,639</u>	<u>0</u>
<i>Total Expenditures</i>	<u>239,279</u>	<u>409,790</u>	<u>396,192</u>	<u>13,598</u>
<i>Excess of Revenues Under Expenditures</i>	(151,713)	(299,742)	(289,934)	9,808
Other Financing Sources (Uses)				
Transfers In	75,000	65,000	65,000	0
Transfers Out	(25,000)	(25,000)	(15,000)	10,000
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>40,000</u>	<u>50,000</u>	<u>10,000</u>
<i>Net Change in Fund Balances</i>	(101,713)	(259,742)	(239,934)	19,808
<i>Fund Balances at Beginning of Year</i>	136,173	136,173	136,173	0
<i>Prior Year Encumbrances Appropriated</i>	<u>153,459</u>	<u>153,459</u>	<u>153,459</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$187,919</u>	<u>\$29,890</u>	<u>\$49,698</u>	<u>\$19,808</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Police Pension Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$142,744	\$125,962	\$125,962	\$0
Intergovernmental	14,000	14,633	14,633	0
<i>Total Revenues</i>	<u>156,744</u>	<u>140,595</u>	<u>140,595</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Pension and Disability				
Fringe Benefits	655,587	617,539	617,539	0
Other	3,000	2,775	2,775	0
<i>Total Police Pension and Disability</i>	<u>658,587</u>	<u>620,314</u>	<u>620,314</u>	<u>0</u>
<i>Total Security of Persons and Property</i>	<u>658,587</u>	<u>620,314</u>	<u>620,314</u>	<u>0</u>
Debt Service:				
Principal	7,910	7,910	7,910	0
Interest	678	678	678	0
<i>Total Debt Service</i>	<u>8,588</u>	<u>8,588</u>	<u>8,588</u>	<u>0</u>
<i>Total Expenditures</i>	<u>667,175</u>	<u>628,902</u>	<u>628,902</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(510,431)	(488,307)	(488,307)	0
Other Financing Sources				
Transfers In	512,444	478,307	488,307	10,000
<i>Total Other Financing Sources</i>	<u>512,444</u>	<u>478,307</u>	<u>488,307</u>	<u>10,000</u>
<i>Net Change in Fund Balances</i>	2,013	(10,000)	0	10,000
<i>Fund Balances at Beginning of Year</i>	<u>19,999</u>	<u>19,999</u>	<u>19,999</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$22,012</u>	<u>\$9,999</u>	<u>\$19,999</u>	<u>\$10,000</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Fire Pension Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$142,744	\$125,962	\$125,962	\$0
Intergovernmental	28,787	14,633	14,633	0
<i>Total Revenues</i>	<u>171,531</u>	<u>140,595</u>	<u>140,595</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Pension and Disability				
Fringe Benefits	705,397	865,397	865,220	177
Other	3,000	2,696	2,696	0
<i>Total Fire Pension and Disability</i>	<u>708,397</u>	<u>868,093</u>	<u>867,916</u>	<u>177</u>
<i>Total Security of Persons and Property</i>	<u>708,397</u>	<u>868,093</u>	<u>867,916</u>	<u>177</u>
Debt Service:				
Principal	27,090	27,090	27,090	0
Interest	2,322	2,322	2,322	0
<i>Total Debt Service</i>	<u>29,412</u>	<u>29,412</u>	<u>29,412</u>	<u>0</u>
<i>Total Expenditures</i>	<u>737,809</u>	<u>897,505</u>	<u>897,328</u>	<u>177</u>
<i>Excess of Revenues Under Expenditures</i>	(566,278)	(756,910)	(756,733)	177
Other Financing Sources				
Transfers In	568,972	746,733	756,733	10,000
<i>Total Other Financing Sources</i>	<u>568,972</u>	<u>746,733</u>	<u>756,733</u>	<u>10,000</u>
<i>Net Change in Fund Balances</i>	2,694	(10,177)	0	10,177
<i>Fund Balances at Beginning of Year</i>	<u>19,999</u>	<u>19,999</u>	<u>19,999</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$22,693</u>	<u>\$9,822</u>	<u>\$19,999</u>	<u>\$10,177</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
COVID-19 Grant Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
General Government				
Miscellaneous				
Materials and Supplies	0	4	4	0
<i>Total Miscellaneous</i>	0	4	4	0
<i>Total General Government</i>	0	4	4	0
 <i>Total Expenditures</i>	 0	 4	 4	 0
 <i>Net Change in Fund Balances</i>	 0	 (4)	 (4)	 0
 <i>Fund Balances at Beginning of Year</i>	 4	 4	 4	 0
 <i>Fund Balances at End of Year</i>	 \$4	 \$0	 \$0	 \$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
One Ohio Opioid Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$26,936	\$26,936	\$26,936	\$0
<i>Total Revenues</i>	26,936	26,936	26,936	0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	26,936	26,936	26,936	0
Other Financing Uses				
Transfers Out	(26,936)	(26,936)	0	26,936
<i>Total Other Financing Uses</i>	(26,936)	(26,936)	0	26,936
<i>Net Change in Fund Balances</i>	0	0	26,936	26,936
<i>Fund Balances at Beginning of Year</i>	0	0	0	0
<i>Fund Balances at End of Year</i>	\$0	\$0	\$26,936	\$26,936

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Fund
For the Year Ended December 31, 2022

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

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Capital Improvement Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$0	\$0	\$1,307	\$1,307
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>1,307</u>	<u>1,307</u>
Expenditures:				
Current:				
General Government:				
Other	0	500	500	0
<i>Total General Government</i>	<u>0</u>	<u>500</u>	<u>500</u>	<u>0</u>
Basic Utility Services:				
Other	0	11	11	0
<i>Total Basic Utility Services</i>	<u>0</u>	<u>11</u>	<u>11</u>	<u>0</u>
Transportation:				
Other	0	29,489	14,756	14,733
<i>Total Transportation</i>	<u>0</u>	<u>29,489</u>	<u>14,756</u>	<u>14,733</u>
<i>Total Expenditures</i>	<u>0</u>	<u>30,000</u>	<u>15,267</u>	<u>14,733</u>
<i>Net Change in Fund Balances</i>	0	(30,000)	(13,960)	16,040
<i>Fund Balances at Beginning of Year</i>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$32,000</u>	<u>\$2,000</u>	<u>\$18,040</u>	<u>\$16,040</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Issue II Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$260,000	\$252,881	\$252,881	\$0
<i>Total Revenues</i>	<u>\$260,000</u>	<u>\$252,881</u>	<u>\$252,881</u>	<u>\$0</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	260,000	252,881	252,881	0
<i>Total Capital Outlay</i>	<u>260,000</u>	<u>252,881</u>	<u>252,881</u>	<u>0</u>
<i>Total Expenditures</i>	<u>260,000</u>	<u>252,881</u>	<u>252,881</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	0	0
<i>Fund Balances at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Safety Levy Capital Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$804,500	\$945,881	\$945,886	\$5
Intergovernmental	60,000	63,406	63,406	0
Interest	0	30	30	0
Other	0	22,537	37,337	14,800
<i>Total Revenues</i>	864,500	1,031,854	1,046,659	14,805
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Contractual Services	80,000	91,000	48,416	42,584
Other	11,000	0	0	0
<i>Total Police</i>	91,000	91,000	48,416	42,584
Security of Persons and Property				
Fire				
Materials and Supplies	300	323,947	323,647	300
<i>Total Fire</i>	300	323,947	323,647	300
<i>Total Security of Persons and Property</i>	91,300	414,947	372,063	42,884
Capital Outlay:				
Capital Outlay	794,100	892,458	618,999	273,459
<i>Total Capital Outlay</i>	794,100	892,458	618,999	273,459
Debt Service:				
Principal	232,005	232,004	232,003	1
Interest	19,539	19,540	19,529	11
<i>Total Debt Service</i>	251,544	251,544	251,532	12
<i>Total Expenditures</i>	1,136,944	1,558,949	1,242,594	316,355
<i>Excess of Revenues Under Expenditures</i>	(272,444)	(527,095)	(195,935)	331,160
Other Financing Sources (Uses)				
General Obligation Bonds Issued	244,700	0	0	0
Transfers Out	(22,500)	(25,000)	(18,750)	6,250
<i>Total Other Financing Sources (Uses)</i>	222,200	(25,000)	(18,750)	6,250
<i>Net Change in Fund Balances</i>	(50,244)	(552,095)	(214,685)	337,410
<i>Fund Balances at Beginning of Year</i>	859,073	859,073	859,073	0
<i>Prior Year Encumbrances Appropriated</i>	144,122	144,122	144,122	0
<i>Fund Balances at End of Year</i>	\$952,951	\$451,100	\$788,510	\$337,410

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Carlisle Hill Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$15	\$0	\$0	\$0
<i>Total Revenues</i>	15	0	0	0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	15	0	0	0
<i>Fund Balances at Beginning of Year</i>	3,378	3,378	3,378	0
<i>Fund Balances at End of Year</i>	\$3,393	\$3,378	\$3,378	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Floodwall Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Community Environment				
Floodwall Maintenance				
Contractual Services	43,800	69,783	66,043	3,740
Materials and Supplies	0	4,100	3,205	895
<i>Total Floodwall Maintenance</i>	<u>43,800</u>	<u>73,883</u>	<u>69,248</u>	<u>4,635</u>
<i>Total Community Environment</i>	<u>43,800</u>	<u>73,883</u>	<u>69,248</u>	<u>4,635</u>
Capital Outlay:				
Capital Outlay	10,000	2,450	0	2,450
<i>Total Capital Outlay</i>	<u>10,000</u>	<u>2,450</u>	<u>0</u>	<u>2,450</u>
Debt Service:				
Principal	0	7,717	7,717	0
Interest	0	720	720	0
<i>Total Debt Service</i>	<u>0</u>	<u>8,437</u>	<u>8,437</u>	<u>0</u>
<i>Total Expenditures</i>	<u>53,800</u>	<u>84,770</u>	<u>77,685</u>	<u>7,085</u>
<i>Excess of Revenues Under Expenditures</i>	(53,800)	(84,770)	(77,685)	7,085
Other Financing Sources				
Transfers In	53,800	53,800	53,800	0
<i>Total Other Financing Sources</i>	<u>53,800</u>	<u>53,800</u>	<u>53,800</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(30,970)	(23,885)	7,085
<i>Fund Balances at Beginning of Year</i>	<u>36,792</u>	<u>36,792</u>	<u>36,792</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$36,792</u></u>	<u><u>\$5,822</u></u>	<u><u>\$12,907</u></u>	<u><u>\$7,085</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Landfill Closure Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Public Health				
Contractual Services	5,370	38,927	38,427	500
<i>Total Public Health</i>	5,370	38,927	38,427	500
Capital Outlay:				
Capital Outlay	40,000	1,573	0	1,573
<i>Total Capital Outlay</i>	40,000	1,573	0	1,573
Debt Service:				
Principal	0	4,348	4,348	0
Interest	0	522	522	0
<i>Total Debt Service</i>	0	4,870	4,870	0
<i>Total Expenditures</i>	45,370	45,370	43,297	2,073
<i>Excess of Revenues Under Expenditures</i>	(45,370)	(45,370)	(43,297)	2,073
Other Financing Sources				
Transfers In	50,870	50,870	50,870	0
<i>Total Other Financing Sources</i>	50,870	50,870	50,870	0
<i>Net Change in Fund Balances</i>	5,500	5,500	7,573	2,073
<i>Fund Balances at Beginning of Year</i>	21,714	21,714	21,714	0
<i>Fund Balances at End of Year</i>	\$27,214	\$27,214	\$29,287	\$2,073

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Streetscape Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Transportation				
Contractual Services	0	4,082	4,082	0
<i>Total Transportation</i>	0	4,082	4,082	0
Capital Outlay:				
Capital Outlay	20,000	15,918	3,752	12,166
<i>Total Capital Outlay</i>	20,000	15,918	3,752	12,166
<i>Total Expenditures</i>	20,000	20,000	7,834	12,166
<i>Excess of Revenues Under Expenditures</i>	(20,000)	(20,000)	(7,834)	12,166
Other Financing Sources				
Transfers In	15,000	15,000	15,000	0
<i>Total Other Financing Sources</i>	15,000	15,000	15,000	0
<i>Net Change in Fund Balances</i>	(5,000)	(5,000)	7,166	12,166
<i>Fund Balances at Beginning of Year</i>	9,465	9,465	9,465	0
<i>Fund Balances at End of Year</i>	\$4,465	\$4,465	\$16,631	\$12,166

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Unclaimed Monies Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$8,000	\$11,064	\$11,064	\$0
<i>Total Revenues</i>	<u>8,000</u>	<u>11,064</u>	<u>11,064</u>	<u>0</u>
Expenditures:				
Current:				
General Government				
Monies Claimed				
Other	1,000	11,000	1,548	9,452
<i>Total Monies Claimed</i>	<u>1,000</u>	<u>11,000</u>	<u>1,548</u>	<u>9,452</u>
<i>Total General Government</i>	<u>1,000</u>	<u>11,000</u>	<u>1,548</u>	<u>9,452</u>
<i>Total Expenditures</i>	<u>1,000</u>	<u>11,000</u>	<u>1,548</u>	<u>9,452</u>
<i>Net Change in Fund Balances</i>	7,000	64	9,516	9,452
<i>Fund Balances at Beginning of Year</i>	<u>130,417</u>	<u>130,417</u>	<u>130,417</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$137,417</u></u>	<u><u>\$130,481</u></u>	<u><u>\$139,933</u></u>	<u><u>\$9,452</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Postage Rotary Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$60,000	\$61,189	\$61,189	\$0
<i>Total Revenues</i>	<u>60,000</u>	<u>61,189</u>	<u>61,189</u>	<u>0</u>
Expenditures:				
Current:				
General Government				
Postage Services				
Materials and Supplies	60,000	60,000	58,157	1,843
<i>Total Postage Services</i>	<u>60,000</u>	<u>60,000</u>	<u>58,157</u>	<u>1,843</u>
<i>Total General Government</i>	<u>60,000</u>	<u>60,000</u>	<u>58,157</u>	<u>1,843</u>
<i>Total Expenditures</i>	<u>60,000</u>	<u>60,000</u>	<u>58,157</u>	<u>1,843</u>
<i>Net Change in Fund Balances</i>	0	1,189	3,032	1,843
<i>Fund Balances at Beginning of Year</i>	<u>20,231</u>	<u>20,231</u>	<u>20,231</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$20,231</u></u>	<u><u>\$21,420</u></u>	<u><u>\$23,263</u></u>	<u><u>\$1,843</u></u>

City of Chillicothe, Ohio
Proprietary Fund Descriptions

Nonmajor Internal Service Funds

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

Fuel Purchasing Program

To account for the activity from the City's fuel purchasing program.

JHP Self-Insurance Program

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

City of Chillicothe
Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2022

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$111,805	\$0	\$111,805
Cash and Cash Equivalents with Fiscal Agents	0	3,783,846	3,783,846
<i>Total Current Assets</i>	<u>111,805</u>	<u>3,783,846</u>	<u>3,895,651</u>
<i>Total Assets</i>	111,805	3,783,846	3,895,651
Liabilities:			
<i>Current:</i>			
Accounts Payable	33,245	0	33,245
Claims Payable	0	747,103	747,103
<i>Total Current Liabilities</i>	<u>33,245</u>	<u>747,103</u>	<u>780,348</u>
<i>Total Liabilities</i>	33,245	747,103	780,348
Net Position:			
Unrestricted	78,560	3,036,743	3,115,303
<i>Total Net Position</i>	<u><u>\$78,560</u></u>	<u><u>\$3,036,743</u></u>	<u><u>\$3,115,303</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2022

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$539,463	\$6,566,391	\$7,105,854
<i>Total Operating Revenues</i>	<u>539,463</u>	<u>6,566,391</u>	<u>7,105,854</u>
Operating Expenses:			
Contractual Services	0	1,042,821	1,042,821
Materials and Supplies	537,587	0	537,587
Claims	0	3,522,781	3,522,781
<i>Total Operating Expenses</i>	<u>537,587</u>	<u>4,565,602</u>	<u>5,103,189</u>
<i>Operating Income</i>	1,876	2,000,789	2,002,665
Nonoperating Revenues			
Interest	0	25,095	25,095
<i>Total Nonoperating Revenues</i>	<u>0</u>	<u>25,095</u>	<u>25,095</u>
<i>Change in Net Position</i>	1,876	2,025,884	2,027,760
<i>Net Position Beginning of Year</i>	<u>76,684</u>	<u>1,010,859</u>	<u>1,087,543</u>
<i>Net Position End of Year</i>	<u><u>\$78,560</u></u>	<u><u>\$3,036,743</u></u>	<u><u>\$3,115,303</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$539,463	\$6,566,391	\$7,105,854
Cash Payments for Claims	0	(3,564,367)	(3,564,367)
Cash Payments for Contractual Services	0	(1,042,821)	(1,042,821)
Cash Payments for Supplies and Materials	(512,197)	0	(512,197)
<i>Net Cash Provided by Operating Activities</i>	<u>27,266</u>	<u>1,959,203</u>	<u>1,986,469</u>
Cash Flows from Investing Activities			
Investment Earnings	0	25,095	25,095
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>25,095</u>	<u>25,095</u>
<i>Net Change in Cash and Cash Equivalents</i>	27,266	1,984,298	2,011,564
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>84,539</u>	<u>1,799,548</u>	<u>1,884,087</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$111,805</u></u>	<u><u>\$3,783,846</u></u>	<u><u>\$3,895,651</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$1,876	\$2,000,789	\$2,002,665
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>			
<i>Changes in Liabilities:</i>			
Increase in Accounts Payable	25,390	0	25,390
Decrease in Claims Payable	0	(41,586)	(41,586)
<i>Net Cash Provided by Operating Activities</i>	<u>\$27,266</u>	<u>\$1,959,203</u>	<u>\$1,986,469</u>

See accompanying notes to the basic financial statements.

City of Chillicothe, Ohio
Fiduciary Fund Descriptions

Custodial Funds

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

Deposits Custodial Fund

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

Court Custodial Fund

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

City of Chillicothe
Combining Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2022

	Deposits Custodial	Municipal Court	Total Custodial Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$38,123	\$0	\$38,123
Cash and Cash Equivalents in Segregated Accounts	0	111,248	111,248
<i>Total Assets</i>	<u>38,123</u>	<u>111,248</u>	<u>149,371</u>
Liabilities:			
Intergovernmental Payable	0	39,110	39,110
<i>Total Liabilities</i>	<u>0</u>	<u>39,110</u>	<u>39,110</u>
Net Position:			
Restricted for Individuals, Organizations, and Other Governments	38,123	72,138	110,261
<i>Total Net Position</i>	<u>\$38,123</u>	<u>\$72,138</u>	<u>\$110,261</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022

	Deposits Custodial	Municipal Court	Total Custodial Funds
Additions:			
Fines and Forfeitures for Other Governments	\$387	\$1,819,563	\$1,819,950
<i>Total Additions</i>	387	1,819,563	1,819,950
Deductions:			
Distributions of State Funds to Other Governments	284	0	284
Fines and Forfeitures Distributions to Other Governments	0	1,832,481	1,832,481
<i>Total Deductions</i>	284	1,832,481	1,832,765
<i>Change in Net Position</i>	103	(12,918)	(12,815)
<i>Net Position at Beginning of Year</i>	38,020	85,056	123,076
<i>Net Position at End of Year</i>	\$38,123	\$72,138	\$110,261

See accompanying notes to the basic financial statements.

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	162-173
<i>Revenue Capacity</i>	
These schedules contain information to help the reader understand and access the factors affecting the City's ability to generate its most significant local revenue sources: property and income taxes.	174-181
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	182-188
<i>Economic and Demographic Information</i>	
This schedule offers economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	189-190
<i>Operating Information</i>	
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	191-199

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

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

	2013	2014	2015	2016
Governmental Activities				
Net Investment in Capital Assets	\$36,003,964	\$34,537,906	\$31,019,197	\$29,083,001
<i>Restricted:</i>				
Debt Service	1,940	3,152	2,720	0
Capital Outlay	753,555	874,538	691,212	783,956
<i>Permanent Fund:</i>				
Expendable	2,265	2,265	2,295	2,310
Nonexpendable	1,000	1,000	1,000	1,000
Street Maintenance and Repair	577,311	493,184	0	2,507,600
Parks and Recreation	0	0	0	0
State Grants	0	0	0	0
Indigent Drivers Alcohol Treatment Program	0	0	0	0
Bus Transit	454,151	585,710	719,872	745,369
Housing and Urban Development Program	211,626	88,716	90,128	62,535
Unclaimed Monies	71,744	77,778	84,470	88,739
Other Purposes	846,293	906,132	1,070,940	1,171,945
Unrestricted (Deficit)	575,723	(14,972,673)	(12,599,357)	(15,464,626)
<i>Total Governmental Activities Net Position</i>	<u>\$39,499,572</u>	<u>\$22,597,708</u>	<u>\$21,082,477</u>	<u>\$18,981,829</u>
Business Type - Activities				
Net Investment in Capital Assets	\$32,846,152	\$33,479,256	\$33,549,707	\$33,244,740
<i>Restricted:</i>				
Debt Service	1,351,634	1,351,634	4	4
Capital Outlay	1,818,467	1,818,467	618,468	618,468
Unrestricted	4,914,405	3,032,263	6,210,997	6,856,475
<i>Total Business-Type Activities Net Position</i>	<u>\$40,930,658</u>	<u>\$39,681,620</u>	<u>\$40,379,176</u>	<u>\$40,719,687</u>
Primary Government				
Net Investment in Capital Assets	\$68,850,116	\$68,017,162	\$64,568,904	\$62,327,741
Restricted	6,089,986	6,202,576	3,281,109	5,981,926
Unrestricted (Deficit)	5,490,128	(11,940,410)	(6,388,360)	(8,608,151)
<i>Total Primary Government Net Position</i>	<u>\$80,430,230</u>	<u>\$62,279,328</u>	<u>\$61,461,653</u>	<u>\$59,701,516</u>

*Restated in 2018.

**Restated in 2021.

*			**		
2017	2018	2019	2020	2021	2022
\$26,212,133	\$26,307,894	\$25,181,090	\$33,846,619	\$34,212,897	\$34,507,767
0	83,515	196,466	228,332	232,332	232,332
685,762	1,258,733	1,060,549	2,189,035	3,758,796	3,679,712
2,325	2,340	2,355	2,370	2,378	2,378
1,000	1,000	1,000	1,000	1,000	1,000
3,618,733	2,839,067	2,451,875	2,927,685	3,318,877	2,569,992
0	0	0	0	0	319,346
0	0	0	0	0	280,745
0	0	0	0	0	334,291
1,085,982	698,018	695,352	900,330	1,994,197	3,135,621
57,633	79,940	13,430	20,092	25,313	0
96,200	102,950	110,985	118,451	130,417	139,933
1,188,462	1,118,385	1,090,068	1,301,385	1,347,137	281,262
(32,054,419)	(35,176,908)	(26,910,596)	(28,157,047)	(21,886,343)	(15,821,050)
<u>\$893,811</u>	<u>(\$2,685,066)</u>	<u>\$3,892,574</u>	<u>\$13,378,252</u>	<u>\$23,137,001</u>	<u>\$29,663,329</u>
\$33,483,988	\$33,067,316	\$32,231,325	\$31,860,203	\$33,237,984	\$32,547,979
4	4	4	4	0	0
618,466	618,466	618,466	618,466	618,466	618,466
4,814,012	5,207,250	5,148,565	5,563,635	4,866,709	6,090,522
<u>\$38,916,470</u>	<u>\$38,893,036</u>	<u>\$37,998,360</u>	<u>\$38,042,308</u>	<u>\$38,723,159</u>	<u>\$39,256,967</u>
\$59,696,121	\$59,375,210	\$57,412,415	\$65,706,822	\$67,450,881	\$67,055,746
7,354,567	6,802,418	6,240,550	8,307,150	11,428,913	11,595,078
(27,240,407)	(29,969,658)	(21,762,031)	(22,593,412)	(17,019,634)	(9,730,528)
<u>\$39,810,281</u>	<u>\$36,207,970</u>	<u>\$41,890,934</u>	<u>\$51,420,560</u>	<u>\$61,860,160</u>	<u>\$68,920,296</u>

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

	2013	2014	2015	2016
Program Revenues				
Governmental Activities				
<i>Charges for Services:</i>				
General Government	\$2,064,040	\$2,206,675	\$2,326,602	\$2,483,728
Security of Persons and Property:				
Police	43,245	42,685	49,952	33,477
Fire	1,090,048	1,136,677	999,256	1,037,872
Leisure Time Activities	72,920	109,667	91,472	114,592
Community Environment	0	0	0	0
Basic Utility Services	1,620,594	1,460,742	1,461,615	1,455,317
Transportation	1,159,503	2,038,070	2,345,012	1,959,322
Subtotal - Charges for Services	<u>6,050,350</u>	<u>6,994,516</u>	<u>7,273,909</u>	<u>7,084,308</u>
<i>Operating Grants and Contributions:</i>				
General Government	224,910	212,942	0	0
Security of Persons and Property:				
Police	132,204	74,464	33,611	14,800
Fire	254,413	30,317	19,502	14,017
Leisure Time Activities	5,938	17,440	0	0
Community Environment	50,375	120,686	83,757	69,041
Basic Utility Services	0	0	0	0
Transportation	3,524,770	2,464,472	2,676,569	2,664,810
Subtotal - Operating Grants and Contributions	<u>4,192,610</u>	<u>2,920,321</u>	<u>2,813,439</u>	<u>2,762,668</u>
<i>Capital Grants and Contributions:</i>				
Leisure Time Activities	33,997	4,960	0	10,000
Transportation	99,608	60,131	330,000	95,450
Subtotal - Capital Grants and Contributions	<u>133,605</u>	<u>65,091</u>	<u>330,000</u>	<u>105,450</u>
<i>Total Governmental Activities Program Revenues</i>	<u>10,376,565</u>	<u>9,979,928</u>	<u>10,417,348</u>	<u>9,952,426</u>
Business-Type Activities				
<i>Charges for Services:</i>				
Water	4,467,383	4,343,590	4,389,716	4,276,662
Sewer	3,189,215	3,026,390	3,091,530	3,044,372
Subtotal - Charges for Services	<u>7,656,598</u>	<u>7,369,980</u>	<u>7,481,246</u>	<u>7,321,034</u>
<i>Operating Grants and Contributions:</i>				
Sewer	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>7,656,598</u>	<u>7,369,980</u>	<u>7,481,246</u>	<u>7,321,034</u>
<i>Total Primary Government Program Revenues</i>	<u>\$18,033,163</u>	<u>\$17,349,908</u>	<u>\$17,898,594</u>	<u>\$17,273,460</u>

2017	2018	2019	2020	2021	2022
\$2,675,760	\$2,373,866	\$2,224,889	\$1,641,839	\$511,100	\$1,659,018
41,252	34,761	39,815	161,998	446,103	29,665
1,068,942	1,048,201	1,091,456	1,108,592	1,547,986	1,213,148
111,831	109,365	96,761	6,700	91,258	115,329
0	0	0	10,832	5,223	5,001
1,452,727	1,485,124	1,643,182	1,924,929	2,132,101	2,055,412
2,228,577	4,486,010	5,202,451	3,603,228	3,685,861	4,480,630
7,579,089	9,537,327	10,298,554	8,458,118	8,419,632	9,558,203
6,843	0	0	999,389	248,094	410,640
41,146	235,623	393,488	92,262	68,241	106,838
14,140	14,110	14,482	160,401	96,724	30
0	0	0	26,199	40,302	1,729
47,704	13,450	363,546	833,215	15,003	130,008
0	0	0	27,032	0	44,374
2,434,016	2,082,423	2,457,636	4,368,114	5,668,572	5,025,404
2,543,849	2,345,606	3,229,152	6,506,612	6,136,936	5,719,023
0	56,802	83,569	0	125,094	0
420,773	603,450	512,747	0	46,841	252,881
420,773	660,252	596,316	0	171,935	252,881
10,543,711	12,543,185	14,124,022	14,964,730	14,728,503	15,530,107
4,345,361	4,421,534	4,382,532	4,707,309	3,966,842	4,417,647
3,171,156	3,430,191	3,488,525	3,832,193	3,245,765	3,518,958
7,516,517	7,851,725	7,871,057	8,539,502	7,212,607	7,936,605
0	0	0	0	22,786	0
7,516,517	7,851,725	7,871,057	8,539,502	7,235,393	7,936,605
\$18,060,228	\$20,394,910	\$21,995,079	\$23,504,232	\$21,963,896	\$23,466,712

(continued)

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

	2013	2014	2015	2016
Expenses				
Governmental Activities				
General Government	\$5,333,744	\$5,100,298	\$5,586,664	\$5,849,212
Security of Persons and Property:				
Police	5,414,997	5,338,983	5,207,081	6,400,259
Fire	5,586,698	5,564,205	5,263,397	6,144,215
Public Health	0	0	0	0
Leisure Time Activities	617,180	775,554	789,943	997,693
Community Environment	833,234	603,419	445,176	432,011
Basic Utility Services	752,633	1,108,199	898,156	920,757
Transportation	6,134,684	6,402,993	8,356,705	8,833,139
Interest on Long-Term Debt	125,816	167,577	177,562	191,771
Issuance Costs	156,699	0	6,928	71,950
<i>Total Governmental Activities Expenses</i>	<u>24,955,685</u>	<u>25,061,228</u>	<u>26,731,612</u>	<u>29,841,007</u>
Business-Type Activities				
Water	3,896,122	3,983,254	3,675,217	4,078,550
Sewer	3,494,256	3,123,064	3,278,689	3,148,529
<i>Total Business-Type Activities Expenses</i>	<u>7,390,378</u>	<u>7,106,318</u>	<u>6,953,906</u>	<u>7,227,079</u>
<i>Total Primary Government Program Expenses</i>	<u>32,346,063</u>	<u>32,167,546</u>	<u>33,685,518</u>	<u>37,068,086</u>
Net (Expense)/Revenue				
Governmental Activities	(14,579,120)	(15,081,300)	(16,314,264)	(19,888,581)
Business-Type Activities	266,220	263,662	527,340	93,955
<i>Total Primary Government Net Expense</i>	<u>(14,312,900)</u>	<u>(14,817,638)</u>	<u>(15,786,924)</u>	<u>(19,794,626)</u>

2017	2018	2019	2020	2021	2022
\$6,389,653	\$6,661,671	\$8,183,220	\$6,267,660	\$3,855,019	\$5,356,545
6,332,115	7,589,867	2,920,880	7,407,309	5,561,708	5,831,283
6,260,678	7,001,891	481,614	7,092,636	6,115,182	6,505,917
0	0	0	0	0	38,427
1,097,183	1,176,712	1,091,968	933,515	857,434	974,476
430,023	354,503	775,071	1,476,572	357,249	551,698
985,975	1,782,804	1,144,709	1,352,143	1,008,751	1,082,742
8,703,914	10,737,859	12,236,494	9,681,811	7,464,294	9,821,764
303,446	287,022	251,742	267,005	201,843	189,519
61,187	0	16,031	80,085	0	0
30,564,174	35,592,329	27,101,729	34,558,736	25,421,480	30,352,371
4,277,717	4,537,006	5,026,351	5,045,810	4,078,754	3,802,275
3,631,845	3,621,098	3,968,060	3,791,867	2,603,986	3,697,906
7,909,562	8,158,104	8,994,411	8,837,677	6,682,740	7,500,181
38,473,736	43,750,433	36,096,140	43,396,413	32,104,220	37,852,552
(20,020,463)	(23,049,144)	(12,977,707)	(19,594,006)	(10,692,977)	(14,822,264)
(393,045)	(306,379)	(1,123,354)	(298,175)	552,653	436,424
(20,413,508)	(23,355,523)	(14,101,061)	(19,892,181)	(10,140,324)	(14,385,840)

(continued)

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

	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
<i>Taxes:</i>				
<i>Property Taxes Levied for:</i>				
General Purposes	\$883,741	\$865,677	\$861,079	\$884,981
Police and Fire Pension	226,163	222,750	215,431	213,818
<i>Municipal Income Taxes Levied for:</i>				
General Purposes	9,135,117	9,309,831	9,800,131	10,935,510
Transportation	702,702	716,139	732,147	2,176,293
Parks and Recreation	527,307	553,757	533,036	565,307
Capital Outlay	878,096	894,889	915,798	938,664
Other Local Taxes	243,520	262,223	290,727	304,959
Grants and Entitlements not Restricted to Specific Programs	1,148,330	915,163	741,609	860,806
Gifts and Contributions not Restricted to Specific Programs	0	0	0	0
Investment Income	16,768	17,177	14,841	49,563
Gain on Sale of Capital Assets	0	0	0	13,318
Miscellaneous	674,708	558,521	706,066	873,248
<i>Total Governmental Activities</i>	<u>14,436,452</u>	<u>14,316,127</u>	<u>14,810,865</u>	<u>17,816,467</u>
<i>Business-Type Activities</i>				
Investment Income	1,134	5,142	4	0
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	180,571	189,347	158,380	218,022
<i>Total Business-Type Activities</i>	<u>181,705</u>	<u>194,489</u>	<u>158,384</u>	<u>218,022</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>14,618,157</u>	<u>14,510,616</u>	<u>14,969,249</u>	<u>18,034,489</u>
<i>Transfers</i>				
Governmental Activities	(20,829)	(25,443)	(11,832)	(28,534)
Business-Type Activities	20,829	25,443	11,832	28,534
Change in Net Position				
Governmental Activities	(163,497)	(790,616)	(1,515,231)	(2,100,648)
Business-Type Activities	468,754	483,594	697,556	340,511
<i>Total Primary Government Change in Net Position</i>	<u>\$305,257</u>	<u>(\$307,022)</u>	<u>(\$817,675)</u>	<u>(\$1,760,137)</u>

2017	2018	2019	2020	2021	2022
\$900,267	\$971,274	\$971,603	\$1,076,509	\$1,035,226	\$1,098,625
217,816	233,800	235,310	259,542	250,116	261,656
11,148,015	11,676,147	11,834,517	12,300,819	13,064,052	13,725,477
2,215,346	2,329,437	2,370,531	2,457,963	2,610,264	2,744,108
558,768	584,169	586,337	615,181	653,362	686,336
930,366	973,611	977,219	1,025,298	1,088,937	1,143,893
375,388	307,338	407,401	188,951	383,030	436,300
875,632	1,148,782	677,305	842,806	950,315	950,770
0	0	0	1,000	19,015	4,250
82,206	195,099	300,227	154,421	55,972	35,591
0	0	0	15,826	36,925	4,507
1,278,970	1,079,252	1,223,546	1,728,278	324,512	267,079
18,582,774	19,498,909	19,583,996	20,666,594	20,471,726	21,358,592
0	0	0	0	0	0
0	30,900	0	4,840	6,911	0
187,608	223,403	200,029	361,941	101,287	87,384
187,608	254,303	200,029	366,781	108,198	87,384
18,770,382	19,753,212	19,784,025	21,033,375	20,579,924	21,445,976
(35,579)	(28,642)	(28,649)	(30,000)	(20,000)	(10,000)
35,579	28,642	28,649	30,000	20,000	10,000
(1,473,268)	(3,578,877)	6,577,640	1,042,588	9,758,749	6,526,328
(169,858)	(23,434)	(894,676)	98,606	680,851	533,808
(\$1,643,126)	(\$3,602,311)	\$5,682,964	\$1,141,194	\$10,439,600	\$7,060,136

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

	2013	2014	2015	2016
General Fund				
Nonspendable	\$258,593	\$248,463	\$261,226	\$255,045
Committed	114,900	87,271	51,286	34,567
Assigned	0	0	0	18,453
Unassigned (Deficit)	1,703,062	1,948,943	2,663,924	3,369,441
Total General Fund	2,076,555	2,284,677	2,976,436	3,677,506
All Other Governmental Funds				
Nonspendable	90,404	110,275	90,886	78,331
Restricted	2,409,387	2,203,639	2,356,673	4,493,423
Assigned	5,765	5,765	5,765	5,765
Unassigned (Deficit)	(115,987)	(52,204)	(415,703)	0
Total All Other Governmental Funds	2,389,569	2,267,475	2,037,621	4,577,519
Total Governmental Funds	\$4,466,124	\$4,552,152	\$5,014,057	\$8,255,025

2017	2018	2019	2020	2021	2022
\$274,376	\$508,499	\$473,492	\$481,612	\$576,755	\$617,578
45,329	54,278	145,715	66,749	41,631	17,527
14,853	11,420	131,006	50,034	747,692	684,625
4,975,561	4,256,839	4,335,761	5,060,523	5,525,123	5,637,316
5,310,119	4,831,036	5,085,974	5,658,918	6,891,201	6,957,046
58,844	178,409	211,833	187,859	217,430	185,544
5,919,152	5,096,903	4,662,336	6,591,541	9,355,210	9,079,544
5,765	5,765	5,765	5,765	5,765	5,765
0	0	0	0	0	(121,928)
5,983,761	5,281,077	4,879,934	6,785,165	9,578,405	9,148,925
\$11,293,880	\$10,112,113	\$9,965,908	\$12,444,083	\$16,469,606	\$16,105,971

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

	2013	2014	2015	2016
Revenues				
Property Taxes	\$1,115,022	\$1,075,485	\$1,077,820	\$1,088,547
Income Taxes	11,177,609	11,303,794	12,109,853	14,148,768
Other Local Taxes	243,520	262,223	290,727	304,959
Special Assessments	13,150	3,752	5,863	11,566
Charges for Services	4,501,048	5,255,945	5,423,454	5,138,328
Fines, Licenses and Permits	1,525,476	1,734,819	1,844,592	1,917,514
Intergovernmental	5,827,097	3,465,617	4,237,598	3,531,008
Investment Earnings	16,768	17,177	14,841	49,563
Contributions and Donations	0	0	0	26,900
Other	702,684	767,139	701,553	877,828
<i>Total Revenues</i>	<u>25,122,374</u>	<u>23,885,951</u>	<u>25,706,301</u>	<u>27,094,981</u>
Expenditures				
<i>Current:</i>				
General Government	5,449,967	5,202,316	5,483,348	5,589,191
<i>Security of Persons and Property:</i>				
Police	4,983,010	5,072,888	4,888,702	5,514,183
Fire	5,096,719	5,171,591	4,923,945	5,194,391
Public Health	0	0	0	0
Leisure Time Activities	492,124	613,047	618,742	690,016
Community Environment	525,336	299,055	146,428	94,711
Basic Utility Services	756,499	1,101,188	907,781	929,540
Transportation	5,575,178	5,584,486	6,718,751	7,495,984
Capital Outlay	445,986	587,718	985,259	1,145,498
<i>Debt Service:</i>				
Principal	438,596	388,174	728,014	576,503
Interest	112,800	173,042	181,383	189,523
Issuance Costs	156,699	0	6,928	71,950
<i>Total Expenditures</i>	<u>24,032,914</u>	<u>24,193,505</u>	<u>25,589,281</u>	<u>27,491,490</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,089,460</u>	<u>(307,554)</u>	<u>117,020</u>	<u>(396,509)</u>
Other Financing Sources (Uses)				
Transfers In	2,396,777	1,610,036	1,691,615	1,342,353
Refunding Bonds Issues	4,850,000	0	0	0
General Obligation Bonds Issued	0	0	260,000	3,436,417
Premium on Debt Issued	31,481	0	5,234	102,175
Issuance of Financed Purchase Agreements	0	0	0	0
Issuance of Notes	0	300,000	0	0
Proceeds from Loan	0	100,000	0	0
Proceeds from Sale of Capital Assets	41,696	0	16,559	40,128
Inception of Leases	42,068	19,025	74,924	87,291
Transfers Out	(2,417,606)	(1,635,479)	(1,703,447)	(1,370,887)
<i>Total Other Financing Sources (Uses)</i>	<u>4,944,416</u>	<u>393,582</u>	<u>344,885</u>	<u>3,637,477</u>
<i>Net Change in Fund Balances</i>	<u>\$6,033,876</u>	<u>\$86,028</u>	<u>\$461,905</u>	<u>\$3,240,968</u>
Debt Service as a Percentage of Noncapital Expenditures	2.5%	2.5%	3.8%	3.3%

2017	2018	2019	2020	2021	2022
\$1,130,743	\$1,197,651	\$1,203,759	\$1,295,297	\$1,306,056	\$1,327,214
15,173,267	15,424,214	16,170,025	15,782,117	17,249,172	18,458,566
375,388	307,338	407,401	186,925	385,056	436,300
30,676	20,615	2,046	21,001	5,536	24,961
5,555,170	7,862,987	9,123,404	6,928,411	6,859,559	7,946,606
1,990,345	3,908,580	1,158,374	1,510,481	1,487,031	1,648,523
3,765,473	4,277,837	4,521,163	7,418,390	6,814,093	6,388,112
82,206	195,099	300,244	154,558	44,984	10,652
1,310	14,567	85,369	26,000	167,254	5,970
1,278,970	1,079,252	1,223,546	1,715,946	320,693	264,557
29,383,548	34,288,140	34,195,331	35,039,126	34,639,434	36,511,461
5,941,369	6,414,195	6,882,988	5,376,220	5,736,409	6,569,951
5,675,008	6,074,087	7,447,345	6,333,217	5,917,806	6,642,206
5,584,702	5,742,723	6,187,289	6,286,349	6,150,286	7,033,253
0	0	0	37,500	0	38,427
738,995	780,745	821,085	687,027	737,484	974,692
121,045	45,526	472,525	788,578	45,015	237,671
904,387	1,731,054	1,038,883	1,297,758	1,395,414	1,432,342
7,618,673	9,775,658	10,895,234	7,616,845	7,526,910	8,864,674
926,172	1,106,668	1,032,446	2,647,251	3,099,347	3,817,703
972,143	1,204,417	1,254,179	3,999,091	1,149,362	1,266,737
315,508	311,543	269,019	307,433	233,359	231,090
61,187	0	16,031	80,085	0	0
28,859,189	33,186,616	36,317,024	35,457,354	31,991,392	37,108,746
524,359	1,101,524	(2,121,693)	(418,228)	2,648,042	(597,285)
1,398,490	1,644,833	2,119,601	1,375,665	1,234,596	1,230,040
0	0	0	2,785,000	0	0
2,065,000	297,889	1,391,000	0	1,232,390	0
69,187	0	112,440	117,063	0	0
0	0	495,500	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
650	85,844	5,197	15,826	36,925	4,507
415,238	3,025	0	8,514	128,166	239,143
(1,434,069)	(1,673,475)	(2,148,250)	(1,405,665)	(1,254,596)	(1,240,040)
2,514,496	358,116	1,975,488	2,896,403	1,377,481	233,650
\$3,038,855	\$1,459,640	(\$146,205)	\$2,478,175	\$4,025,523	(\$363,635)
4.9%	5.0%	4.6%	13.1%	4.8%	4.5%

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value		Public Utility	
	Residential/Agricultural/ Commercial/Industrial	Estimated Actual Value	Assessed Value	Estimated Actual Value
2013	\$382,797,100	\$1,093,706,000	\$21,039,510	\$23,908,534
2014	373,143,320	1,066,123,771	22,222,520	25,252,864
2015	367,212,160	1,049,177,600	22,622,080	25,706,909
2016	372,366,600	1,063,904,571	23,142,100	26,297,841
2017	387,403,970	1,106,868,486	22,280,280	25,318,500
2018	394,846,980	1,128,134,229	31,781,860	36,115,750
2019	397,997,130	1,137,134,657	36,030,330	40,943,557
2020	424,684,890	1,213,385,400	35,919,580	40,817,705
2021	429,706,570	1,227,733,057	38,917,430	44,224,352
2022	434,498,140	1,241,423,257	41,313,610	46,947,284

Source: Ross County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Rate
\$403,836,610	\$1,117,614,534	36.13%	3.20
395,365,840	1,091,376,635	36.23%	3.20
389,834,240	1,074,884,509	36.27%	3.20
395,508,700	1,090,202,412	36.28%	3.20
409,684,250	1,132,186,986	36.19%	3.20
426,628,840	1,164,249,979	36.64%	3.20
434,027,460	1,178,078,214	36.84%	3.20
460,604,470	1,254,203,105	36.72%	3.20
468,624,000	1,271,957,409	36.84%	3.20
475,811,750	1,288,370,541	36.93%	3.20

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Direct Tax Rate:										
<i>City of Chillicothe Millage</i>										
General Operating	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
<i>Total City Direct Rate Millage</i>	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Overlapping Rates by Taxing District:										
<i>Ross County Millage</i>										
Operating	12.50	12.50	12.50	12.80	12.70	13.70	13.70	14.20	14.20	14.20
<i>Total County Millage</i>	12.50	12.50	12.50	12.80	12.70	13.70	13.70	14.20	14.20	14.20
<i>Chillicothe City School District Millage</i>										
Operating	46.20	53.30	53.40	50.20	50.10	49.90	46.20	46.20	46.20	46.20
Debt Service	4.80	5.80	5.80	8.79	7.90	7.90	7.40	7.00	7.00	7.00
<i>Total School Millage</i>	51.00	59.10	59.20	58.99	58.00	57.80	53.60	53.20	53.20	53.20
<i>Other Millage</i>										
Operating	5.80	5.80	5.80	6.30	6.70	6.30	6.30	6.30	6.30	6.30
<i>Total Other Millage</i>	5.80	5.80	5.80	6.30	6.70	6.30	6.30	6.30	6.30	6.30
Total Direct and Overlapping Millage	72.50	80.60	80.70	81.29	80.60	81.00	76.80	76.90	76.90	76.90

Source: Ross County Auditor

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

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

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

Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)
2013	\$1,252,173	\$1,215,108	97.04%	\$29,323
2014	1,224,221	1,174,894	95.97%	28,692
2015	1,205,250	1,175,627	97.54%	34,804
2016	1,228,868	1,186,274	96.53%	44,329
2017	1,275,881	1,224,152	95.95%	49,437
2018	1,333,292	1,284,296	96.33%	56,811
2019	1,353,155	1,300,862	96.14%	46,842
2020	1,435,683	1,377,419	95.94%	40,557
2021	1,445,034	1,405,162	97.24%	51,871
2022	1,465,390	1,409,486	96.19%	30,837

Source: Ross County Auditor

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

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

Total Tax Collections (2)	Percent of Total Tax Collections To Tax Levy	Total Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
\$1,244,431	99.38%	\$38,815	3.10%
1,203,586	98.31%	50,917	4.16%
1,210,431	100.43%	50,212	4.17%
1,230,603	100.14%	60,414	4.92%
1,273,589	99.82%	47,670	3.74%
1,341,107	100.59%	55,005	4.13%
1,347,704	99.60%	58,160	4.30%
1,417,976	98.77%	73,793	5.14%
1,457,033	100.83%	61,825	4.28%
1,440,323	98.29%	75,116	5.13%

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate and PU-PP Tax
 2022 and 2013

2022		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$34,820,810	7.32%
Columbia Gas of Ohio	6,063,990	1.27%
Guernsey Crossing LLC	5,540,370	1.16%
Chillicothe TK Owner LLC	4,471,230	0.94%
Chillicothe Mall	4,176,010	0.88%
Agree Stores LLC	3,062,500	0.64%
Menards, Inc.	2,880,500	0.61%
Zane Plaza LLC	2,338,710	0.49%
Sam's Real Estate Business	2,221,940	0.47%
Spirit Master Funding X LLC	2,217,810	0.47%
Total	\$67,793,870	14.25%
Total Assessed Valuation	\$475,811,750	

2013		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
P.H. Glatfelter	\$18,426,880	4.56%
P.H. Glatfelter	13,786,710	3.41%
Chillicothe Mall Inc.	4,389,090	1.09%
DDR Chillicothe LLC	4,053,210	1.00%
Central Center LTD	3,111,480	0.77%
Sam's Real Estate Business	2,629,020	0.65%
Zane Plaza LLC	2,434,090	0.60%
Chillicothe Telephone	2,115,960	0.52%
K-Mart Corporation	2,311,240	0.57%
Columbia Gas of Ohio	2,077,820	0.51%
Total	\$55,335,500	13.68%
Total Assessed Valuation	\$403,836,610	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2022 and 2013 collections were based.

City of Chillicothe, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2013	1.60%	\$11,244,828	\$9,032,367	80.32%	\$1,341,249	11.93%	\$871,212	7.75%
2014	1.60%	11,093,640	9,051,918	81.60%	1,159,502	10.45%	882,220	7.95%
2015	1.60%	11,644,732	9,313,648	79.98%	1,372,129	11.78%	958,955	8.24%
2016	2.00%	14,485,410	11,895,696	82.12%	1,634,125	11.28%	955,589	6.60%
2017	2.00%	15,251,845	12,176,357	79.84%	1,833,424	12.02%	1,242,064	8.14%
2018	2.00%	15,512,310	12,549,230	80.90%	1,713,317	11.04%	1,249,763	8.06%
2019	2.00%	15,777,897	12,484,864	79.13%	1,997,316	12.66%	1,295,717	8.21%
2020	2.00%	16,123,685	12,591,360	78.09%	2,198,494	13.63%	1,333,831	8.27%
2021	2.00%	17,584,406	13,305,824	75.67%	3,008,329	17.11%	1,270,254	7.22%
2022	2.00%	18,907,407	14,573,750	77.08%	2,864,858	15.15%	1,468,799	7.77%

Source: City Income Tax Department

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

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

Governmental Activities

Year	General Obligation Bonds	OPWC Loans	Long Term Notes	Loans	Leases
2013	\$4,850,000	\$12,613	\$0	\$0	\$223,699
2014	4,550,000	0	300,000	100,000	167,163
2015	4,523,209	0	0	75,000	154,073
2016	7,604,636	0	0	50,000	136,767
2017	8,894,053	0	0	25,000	423,454
2018	8,110,851	0	0	0	301,892
2019	8,425,997	0	0	0	705,245
2020	7,490,730	0	0	0	516,053
2021	7,777,647	0	0	0	408,435
2022	6,651,410	0	0	0	475,182

Source: City Auditor's Office

Business-Type Activities

General Obligation Bonds	Mortgage Revenue Bonds	Long Term Notes	Leases	Total Debt	Percentage of Personal Income	Per Capita
\$1,670,000	\$1,215,000	\$2,441,000	\$15,011	\$10,427,323	2.23%	\$476
1,150,000	0	2,441,000	11,939	8,720,102	1.83%	398
3,231,255	0	0	8,644	7,992,181	1.64%	368
2,685,493	0	0	5,415	10,482,311	2.08%	479
2,134,732	0	0	1,323	11,478,562	2.29%	534
1,578,971	0	0	0	9,991,714	1.99%	456
1,828,967	0	0	5,628	10,965,837	2.00%	505
1,227,856	0	0	4,734	9,239,373	1.80%	425
1,062,847	0	0	3,491	9,252,420	1.91%	419
890,838	0	0	2,257	8,019,687	1.16%	364

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to		Net Bonded Debt per Capita
				Estimated	Actual	
				Value of	Value of	
				Taxable	Taxable	
				Property	Property	
2013	21,901	\$1,117,614,534	\$7,735,000	0.69%	0.69%	\$353
2014	21,899	1,091,376,635	5,700,000	0.52%	0.52%	260
2015	21,738	1,074,884,509	7,754,464	0.72%	0.72%	357
2016	21,901	1,090,202,412	10,290,129	0.94%	0.94%	470
2017	21,499	1,132,186,986	11,028,785	0.97%	0.97%	513
2018	21,901	1,164,249,979	9,689,822	0.83%	0.83%	442
2019	21,717	1,178,078,214	10,254,964	0.87%	0.87%	472
2020	21,722	1,254,203,105	8,718,586	0.70%	0.70%	401
2021	22,059	1,271,957,409	8,840,494	0.70%	0.70%	401
2022	22,009	1,288,370,541	7,542,248	0.59%	0.59%	343

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, 2022

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Chillicothe			
Leases	\$475,182	100.00%	\$475,182
General Obligation Bonds	<u>6,651,410</u>	100.00%	<u>6,651,410</u>
<i>Total Direct Debt</i>	<u>7,126,592</u>		<u>7,126,592</u>
Overlapping			
Ross County	9,434,051	30.98%	2,922,669
Chillicothe City Schools	32,317,200	91.65%	29,618,714
Scioto Township	<u>259,980</u>	82.74%	<u>215,107</u>
<i>Total Overlapping Debt</i>	<u>42,011,231</u>		<u>32,756,490</u>
<i>Total</i>	<u><u>\$49,137,823</u></u>		<u><u>\$39,883,082</u></u>

Sources: Chillicothe City Auditor and Ross County Auditor

(1) Percentages of overlapping were determined by dividing each overlapping subdivision's assessed valuation located within the City by its total assessed valuation.

City of Chillicothe, Ohio
Legal Debt Margin
Last Ten Years

	2013	2014	2015	2016
Total Assessed Property Value	<u>\$403,836,610</u>	<u>\$395,365,840</u>	<u>\$389,834,240</u>	<u>\$395,508,700</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>\$42,402,844</u>	<u>\$41,513,413</u>	<u>\$40,932,595</u>	<u>\$41,528,414</u>
Debt Outstanding:				
General Obligation Bonds	4,850,000	4,550,000	4,495,000	7,479,813
General Obligation Bonds - Enterprise	1,670,000	1,150,000	3,170,000	2,635,000
General Obligation Revenue Bonds	1,215,000	0	0	0
OPWC Loans	12,613	0	0	0
Loan Payable	0	100,000	75,000	50,000
Notes Payable	2,441,000	2,741,000	0	0
Total Gross Indebtedness	10,188,613	8,541,000	7,740,000	10,164,813
Less:				
Notes Payable from Governmental Fund Revenues	0	300,000	0	0
Notes Payable from Enterprise Fund Revenues	2,441,000	2,441,000	0	0
Revenue Bonds Payable from Enterprise Fund Revenues	1,215,000	0	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,670,000	1,150,000	3,170,000	2,635,000
OPWC Loan Payable from Governmental Fund Revenues	12,613	0	0	0
Loan Payable from Governmental Fund Revenues	0	100,000	75,000	50,000
Bond Retirement Fund Balance	16,646	16,646	16,646	16,646
Total Net Debt Applicable to Debt Limit	<u>4,833,354</u>	<u>4,533,354</u>	<u>4,478,354</u>	<u>7,463,167</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$37,569,490</u>	<u>\$36,980,059</u>	<u>\$36,454,241</u>	<u>\$34,065,247</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.60%	89.08%	89.06%	82.03%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$22,211,014</u>	<u>\$21,745,121</u>	<u>\$21,440,883</u>	<u>\$21,752,979</u>
Total Gross Indebtedness	10,188,613	8,541,000	7,740,000	10,164,813
Less:				
Notes Payable from Governmental Fund Revenues	0	300,000	0	0
Notes Payable from Enterprise Fund Revenues	2,441,000	2,441,000	0	0
Revenue Bonds Payable from Enterprise Fund Revenues	1,215,000	0	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,670,000	1,150,000	3,170,000	2,635,000
OPWC Loan Payable from Governmental Fund Revenues	12,613	0	0	0
Loan Payable from Governmental Fund Revenues	0	100,000	75,000	50,000
Bond Retirement Fund Balance	16,646	16,646	16,646	16,646
Net Debt Within 5 1/2% Limitations	<u>4,833,354</u>	<u>4,533,354</u>	<u>4,478,354</u>	<u>7,463,167</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$17,377,660</u>	<u>\$17,211,767</u>	<u>\$16,962,529</u>	<u>\$14,289,812</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	78.24%	79.15%	79.11%	65.69%

Source: City Financial Records

2017	2018	2019	2020	2021	2022
\$409,684,250	\$426,628,840	\$434,027,460	\$460,604,470	\$468,624,000	\$475,811,750
\$43,016,846	\$44,796,028	\$45,572,883	\$48,363,469	\$49,205,520	\$49,960,234
8,715,822	7,958,881	8,187,848	7,168,733	7,487,545	6,393,204
2,095,000	1,550,000	1,749,000	1,150,000	989,000	821,000
0	0	0	0	0	0
0	0	0	0	0	0
25,000	0	0	0	0	0
0	0	0	2,140,000	0	0
10,835,822	9,508,881	9,936,848	10,458,733	8,476,545	7,214,204
0	0	0	0	0	0
0	0	0	2,140,000	0	0
0	0	0	0	0	0
2,095,000	1,550,000	1,749,000	1,150,000	989,000	821,000
0	0	0	0	0	0
25,000	0	0	0	0	0
16,646	110,707	232,642	228,332	232,332	232,332
8,699,176	7,848,174	7,955,206	6,940,401	7,255,213	6,160,872
\$34,317,670	\$36,947,854	\$37,617,677	\$41,423,068	\$41,950,307	\$43,799,362
79.78%	82.48%	82.54%	85.65%	85.26%	87.67%
\$22,532,634	\$23,464,586	\$23,871,510	\$25,333,246	\$25,774,320	\$26,169,646
10,835,822	9,508,881	9,936,848	10,458,733	8,476,545	7,214,204
0	0	0	0	0	0
0	0	0	2,140,000	0	0
0	0	0	0	0	0
2,095,000	1,550,000	1,749,000	1,150,000	989,000	821,000
0	0	0	0	0	0
25,000	0	0	0	0	0
16,646	110,707	232,642	228,332	232,332	232,332
8,699,176	7,848,174	7,955,206	6,940,401	7,255,213	6,160,872
\$13,833,458	\$15,616,412	\$15,916,304	\$18,392,845	\$18,519,107	\$20,008,774
61.39%	66.55%	66.67%	72.60%	71.85%	76.46%

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	
2013	\$4,467,383	\$2,976,961	\$1,490,422	\$1,175,000	\$104,813	1.16
2014	4,343,590	3,056,584	1,287,006	1,215,000	60,750	1.01
2015	4,389,716	2,392,092	1,997,624	0	0	0.00
2016	4,276,662	2,921,545	1,355,117	0	0	0.00
2017	4,345,361	3,200,873	1,144,488	0	0	0.00
2018	4,421,534	3,349,185	1,072,349	0	0	0.00
2019	4,382,532	4,027,662	354,870	0	0	0.00
2020	4,707,309	4,057,421	649,888	0	0	0.00
2021	3,966,842	3,028,178	938,664	0	0	0.00
2022	4,417,647	2,997,389	1,420,258	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)
2013	21,901	\$468,528,093	\$21,393	40.0	2,891	8.5%	\$403,836,610
2014	21,899	476,872,624	21,776	40.0	3,073	6.3%	395,365,840
2015	21,738	486,822,510	22,395	40.0	3,199	5.4%	389,834,240
2016	21,901	504,358,129	23,029	40.0	3,344	5.2%	395,508,700
2017	21,499	502,173,375	23,358	43.0	3,174	4.9%	409,684,250
2018	21,901	503,241,123	22,978	42.5	3,473	6.6%	426,628,840
2019	21,717	549,374,949	25,297	41.6	3,213	4.5%	434,027,460
2020	21,722	514,388,787	27,066	41.6	2,853	4.1%	460,604,470
2021	22,059	484,393,581	21,959	41.4	3,607	4.8%	468,624,000
2022	22,009	692,887,338	31,482	41.2	3,164	3.0%	475,811,750

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

2022

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Pixelle	Paper Industry	1,209	3.83%
Wal-Mart	Retail	954	3.02%
Ross County	County Government	668	2.11%
Chillicothe City Schools	Education	607	1.92%
Lowe's	Retail	371	1.17%
City of Chillicothe	City Government	287	0.91%
Ohio University-Chillicothe	College Campus	243	0.77%
Menards	Retail	220	0.70%
Charter Communication	Cable TV/Internet	118	0.37%
Horizon Family of Companies	Communications	102	0.32%
Total		<u>4,779</u>	<u>15.12%</u>
Total Employment Within the City		<u>31,592</u>	<u>100.00%</u>

2013

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Glatfelter Paper Company	Paper Industry	1,203	3.81%
Ross County	County Government	850	2.69%
Wal-Mart	Retail	800	2.53%
Chillicothe City Schools	Education	324	1.02%
Ohio University-Chillicothe	College Campus	642	2.03%
City of Chillicothe	City Government	242	0.77%
Lowe's	Retail	225	0.71%
Horizon Family of Companies	Communications	180	0.57%
Time Warner	Cable TV/Internet	100	0.32%
American Electric Power	Utility center	12	0.04%
Total		<u>4,578</u>	<u>14.49%</u>
Total Employment Within the City		<u>31,615</u>	<u>100.00%</u>

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

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	1	2	1	2
Engineering Vehicles	9	9	8	7	3	6	3	3	6	4
Municipal Court Vehicles	2	2	3	4	2	3	3	3	3	3
Service Department Vehicles	34	36	40	43	42	34	37	34	40	34
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Building	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392
Vehicles	34	32	38	39	31	39	35	30	32	29
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Building	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476
Vehicles	28	27	26	26	19	20	15	15	16	15
Recreation										
Number of Parks	13	13	13	13	13	13	14	14	14	14
Number of Pools	1	1	1	1	1	1	3	3	3	3
Number of Tennis Courts	4	4	4	4	4	4	4	4	4	4
Number of Baseball Diamonds	13	13	13	13	13	13	13	13	13	13
Number of Tot Lots	4	4	4	4	6	6	6	6	6	6
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	22	23	25	25	26	20	25	25	26	26
Volleyball Courts	0	0	0	0	3	3	3	6	3	3
Floodwall										
Miles	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5	5	5
Transportation										
Square Footage of Building	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855
Vehicles	20	20	24	23	25	25	22	31	27	25
Water Department										
Water Lines (miles)	136	136	136	136	137	137	137	137	137	137
Vehicles	19	19	21	21	16	18	18	19	17	20
Sewer Department										
Sewer Lines/Storm Sewer (miles)	106	106	106	106	106	106	106	106	106	106
Vehicles	26	26	14	14	21	22	22	22	17	18

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Council	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Auditor	4.5	4.5	4.5	5.0	4.5	3.5	5.0	5.0	5.0	4.5
Income Tax	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Treasurer	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5
Mayor	4.5	3.5	3.5	3.5	4.0	4.0	5.0	4.5	2.5	4.5
Law Director	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Engineering	6.0	6.0	5.0	5.0	5.5	6.0	6.0	5.0	5.0	4.0
Civil Service	2.5	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Municipal Court	23.0	19.0	22.0	22.0	20.5	20.5	22.5	22.5	21.0	21.5
Security of Persons and Property										
Police	48.0	44.0	46.0	53.0	53.0	57.0	56.0	49.0	54.0	53.0
Fire	44.0	43.0	39.0	43.0	45.0	49.0	49.0	49.0	47.0	46.0
School Crossing Guards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Traffic Control-Meters	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Parks	1.0	1.0	1.5	3.0	3.0	3.5	6.5	6.0	6.0	6.0
Recreation	3.0	5.0	3.5	4.0	5.0	3.5	0.0	0.0	0.0	0.0
Transportation										
Service	18.0	17.0	17.0	14.0	24.0	24.5	23.0	44.5	19.5	22.5
Transit	31.0	30.5	31.0	33.0	41.0	34.5	33.5	31.0	29.5	30.5
Basic Utility Services										
Water	27.0	26.5	26.0	26.5	25.5	27.0	23.0	19.0	27.0	29.0
Sewer	16.0	15.0	16.0	15.0	15.0	16.0	20.0	24.0	14.5	16.0
Totals:	242.0	229.5	229.5	245.0	264.0	265.5	265.5	274.5	246.0	252.5

Source: City Payroll Department W-2 Audit Listing

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

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

Function/Program	2013	2014	2015
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	107	115	133
Number of Resolutions Passed	19	16	16
Number of Planning Commission Docket Items	13	12	12
Zoning Board of Appeals Docket Items	19	9	18
Design and Review Board Docket Items	41	35	40
<i>Finance Department</i>			
Number of Checks/Vouchers Issued	4,853	5,144	5,289
Amount of Checks Written	\$44,504,621	\$34,821,093	\$34,912,698
Interest Earnings for fiscal year (cash basis)	\$17,995	\$16,882	\$15,131
Number of Receipts Issued	2,047	2,398	2,325
Agency Ratings - Moody's Financial Services	A2	A2	A2
General Fund Receipts (cash basis)	\$18,020,422	\$16,173,260	\$16,385,326
General Fund Expenditures (cash basis)	\$18,698,612	\$16,583,845	\$16,002,738
General Fund Cash Balances	\$1,191,040	\$1,144,727	\$1,770,329
<i>Income Tax Department</i>			
Number of Individual Returns	7,116	5,979	6,489
Amount of Business Returns	2,177	1,899	2,022
Number of Business Withholding Accounts	2,206	2,127	2,086
Amount of Penalties and Interest Collected	\$34,077	\$61,556	\$119,010
Annual Number of Corporate Withholding Forms Processed	11,877	11,941	13,190
Annual Number of Balance Due Statements Forms Processed	1,562	1,403	1,658
Annual Number of Estimated Payment Forms Processed	1,823	1,378	1,576
Annual Number of Reconciliations of Withholding Processed	1,658	1,698	1,732
<i>Engineering Department</i>			
Dollar Amount of Construction Overseen by Engineer	\$1,500,000	\$1,200,000	\$1,200,000
<i>Municipal Court</i>			
Number of Civil Cases	1,384	1,292	1,311
Amount of Criminal Cases	3,737	3,348	3,082
Amount of Traffic Cases	8,500	9,617	9,267
Amount of Small Claims Cases	142	256	274

Source: Departments of the City of Chillicothe

2016	2017	2018	2019	2020	2021	2022
95	115	115	117	111	85	94
17	28	14	17	21	20	34
16	13	16	17	12	23	12
21	18	36	2	35	26	39
49	32	38	1	45	43	33
4,798	5,221	5,138	5,117	4,413	4,744	4,406
\$29,655,614	\$29,523,145	\$31,016,337	\$34,277,502	\$34,757,308	\$34,895,010	\$24,923,706
\$46,212	\$56,528	\$155,123	\$224,871	\$171,107	\$90,614	\$102,374
2,216	3,054	2,819	2,858	2,333	2,403	2,642
A2						
\$18,509,640	\$19,797,937	\$19,910,249	\$21,997,479	\$22,152,856	\$20,860,120	\$23,005,681
\$17,918,806	\$18,218,572	\$20,592,475	\$22,269,346	\$21,647,982	\$21,377,947	\$27,074,625
\$2,010,718	\$2,667,376	\$2,926,904	\$2,655,036	\$4,620,058	\$4,102,231	\$4,761,627
6,251	6,383	6,984	6,870	6,053	6,013	5,803
2,082	1,982	2,094	2,043	1,990	2,432	2,020
2,239	2,224	2,422	2,498	2,119	17,932	2,669
\$69,032	\$78,576	\$94,785	\$122,118	\$83,617	\$77,602	\$72,328
16,614	16,344	16,188	16,604	17,353	17,932	19,903
1,356	1,528	1,499	1,309	1,270	1,192	1,274
1,696	1,502	1,427	1,642	1,457	1,916	2,247
1,821	1,981	1,926	1,840	2,020	1,969	2,057
\$1,200,000	\$1,893,070	\$1,101,149	\$1,868,803	\$1,542,231	\$2,108,000	\$2,067,445
1,392	1,793	2,161	2,141	1,489	1,545	1,727
3,853	4,228	4,302	4,333	3,093	2,763	2,683
9,934	9,547	7,926	7,269	6,239	7,513	7,598
244	270	263	191	167	152	187

(continued)

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

Function/Program	2013	2014	2015
<i>Civil Service</i>			
Number of Police Entry Tests Administered	0	71	1
Number of Fire Entry Tests Administered	0	0	1
Number of Police Promotional Tests Administered	0	10	3
Number of Fire Promotional Tests Administered	14	0	2
Number of Hires of Police Officers from Certified Lists	0	2	7
Number of Hires of Fire/Medics Officers from Certified Lists	0	2	2
Number of Promotions from Police Certified Lists	0	1	4
Number of Promotions from Fire Certified Lists	4	2	1
<i>Building Department Indicators</i>			
Construction Permits Issued	8	12	11
Estimated Value of Construction	\$2,139,000	\$2,430,567	\$2,007,034
Number of Permits Issued	902	798	857
Amount of Revenue Generated from Permits	\$141,653	\$179,793	\$194,320
Number of Contractor Registrations Issued	190	300	297
Revenue Generated from Above	\$3,291	\$5,701	\$4,432
<i>Police Department</i>			
Total Calls for Service	23,047	23,245	24,557
Number of Traffic Citations Issued	2,346	2,465	1,978
Number of Parking Citations Issued	N/A	N/A	N/A
Number of Criminal Arrests	3,130	2,941	2,984
Number of Accident Reports Completed	1,225	1,375	1,289
DUI Arrests	101	85	97
Prisoner costs for room and board	\$0	\$0	\$0
Motor Vehicle Accidents	858	1,006	896
Property Damage Accidents	367	369	393
Fatalities from Motor Vehicle Accidents	0	0	1
Gasoline Costs of Fleet	\$112,069	\$107,862	\$53,367
DARE Program hours	1,600	1,600	1,600
<i>Fire Department</i>			
EMS Calls	4,618	4,893	4,866
Ambulance Billing Collections (net)	\$1,120,547	\$1,127,057	\$994,663
Fire Calls	704	692	840
Fires with Loss	42	29	39
Fires with Losses Exceeding \$10K	15	8	11
Fire Losses \$	\$379,250	\$393,201	\$515,667
Fire Safety Inspections	400 plus	515	500
Number of Times Mutual Aid Given to Fire	4	0	4
Number of Times Mutual Aid Received for Fire	1	1	5
Number of Injuries Requiring Medical Attention	2	2	1
Fatalities Due to Fire	0	0	0

Source: Departments of the City of Chillicothe

2016	2017	2018	2019	2020	2021	2022
0	110	0	1	44	39	0
0	43	0	0	29	0	1
0	5	0	0	5	5	1
0	0	8	0	2	0	2
8	1	3	1	4	7	6
3	0	5	1	2	0	0
0	0	0	0	3	1	1
2	0	2	3	2	0	0
16	6	7	19	20	20	15
\$3,678,195	\$1,885,000	\$1,955,994	\$5,002,821	\$97,584	\$5,542,841	\$5,312,477
742	681	412	469	428	387	450
\$198,007	\$246,735	\$38,865	\$45,238	\$39,496	\$35,654	\$42,115
350	185	260	313	320	335	229
\$3,500	\$18,500	\$26,000	\$15,381	\$32,000	\$33,500	\$22,900
27,700	28,304	29,802	28,433	26,338	26,986	26,127
2,795	3,070	3,255	2,375	1,332	684	1,000
517	2,075	282	733	553	1,406	510
4,064	5,092	5,098	5,497	2,379	2,762	2,508
1,262	1,147	1,095	1,122	1,194	618	1,117
183	139	141	132	67	66	70
\$0	\$0	\$0	\$0	\$0	\$0	\$0
958	891	886	891	882	618	1,117
304	256	209	231	312	0	0
1	0	0	0	1	2	0
\$51,510	\$69,487	\$83,286	\$82,073	\$0	\$66,058	\$86,752
1,600	1,600	1,700	1,700	1,500	1,203	826
5,316	5,399	5,737	5,920	5,457	6,039	6,154
\$1,035,755	\$1,079,703	\$1,042,483	\$1,080,824	\$992,139	\$1,143,171	\$1,211,730
997	919	927	844	1,077	1,065	1,087
69	62	61	47	46	31	44
13	14	14	22	9	8	22
\$696,453	\$550,870	\$1,067,371	\$1,321,350	\$277,050	\$533,955	\$1,010,045
673	538	993	1,378	739	976	1,297
11	21	3	3	3	9	1
2	3	9	12	8	6	17
3	1	5	4	1	2	2
0	2	0	1	0	0	3

(continued)

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

Function/Program	2013	2014	2015
Leisure Time Activities			
<i>Recreation Department</i>			
Recreation Swimming Pool Receipts	\$61,131	\$71,006	\$61,315
Recreation Mens, Women and Chillicothe Leagues Receipts	\$0	\$0	\$0
Number of Tree License Issues	8	13	13
Amount of Revenue from Tree License	\$200	\$300	\$325
Total Acreage All Parks	876	876	876
Transportation			
<i>Street Construction & State Highway</i>			
Street Sweeper (hours)	950	1,050	900
Cold Patch (hours)	1,800	2,080	2,000
Snow and Ice Removal (regular hours)	215	400	850
Snow and Ice Removal (overtime hours)	350	375	877
Leaf Collection (hours)	3,000	3,500	3,200
Downtown Square Repair after Events (hours)	68	75	70
Tons of Snow Melting Salt Purchased (Nov-Mar)	721	954	950
Cost of Salt Purchased	\$33,357	\$66,031	\$79,999
Basic Utility Services			
<i>Refuse Department</i>			
Refuse Disposal per year (in tons) August through July	7,895	7,548	7,514
Refuse Disposal cost per year August through July	\$282,233	\$268,151	\$281,235
<i>Water Department (2)</i>			
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	12.40	12.40	12.65
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	18.61	18.61	18.99
Total Water Collections Annually (including P&I)	\$3,927,993	\$4,236,920	\$4,160,214
Number of Active Customers	9,300	9,360	9,417
<i>WasteWater Department (3)</i>			
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	9.11	9.11	9.29
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	13.64	13.64	13.91
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	877.677	874.301	845.500
Tons of Dry Sludge Removed	388.859	391.840	346.000
Wastewater Calls for Service	250	230	109
After Hours Wastewater Calls for Service (hours)	300	330	142
Sewer Jet, Vac-all, other services (hours)	3,000	3,500	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).

2016	2017	2018	2019	2020	2021	2022
\$77,083	\$87,426	\$82,525	\$78,357	\$0	\$76,954	\$102,829
\$4,700	\$1,400	\$9,375	\$1,400	\$2,500	\$0	\$2,000
20	17	16	10	7	8	10
\$1,425	\$425	\$400	\$250	\$165	\$276	\$250
876	876	876	877	877	877	877
950	950	800	800	850	700	825
2,050	2,050	2,400	2,200	2,400	2,000	2,150
96	100	856	900	900	450	335
0	100	650	650	126	150	115
3,300	3,300	3,500	3,500	3,500	350	3,500
75	80	70	80	75	90	120
240	300	950	930	800	864	262
\$11,087	\$19,551	\$43,871	\$40,213	\$34,592	\$55,312	\$49,930
7,654	6,799	7,231	7,683	7,713	8,487	8,492
\$286,413	\$254,407	\$251,642	\$295,027	\$308,520	\$358,224	\$370,545
12.65	12.65	12.65	12.65	12.65	7.99	7.99
18.85	18.99	18.99	18.99	18.99	12.00	12.00
\$4,407,356	\$4,062,891	\$4,564,948	\$4,224,463	\$4,179,476	\$4,246,328	\$4,567,748
10,133	9,455	10,318	10,205	10,160	10,381	9,760
9.60	9.60	9.99	10.45	10.39	6.98	6.98
14.37	14.37	15.25	15.64	15.64	10.46	10.46
738.030	718.670	828.050	679.378	852.473	879.650	1,202.000
373.460	300.060	270.000	270.000	434.850	79.780	379.000
204	240	260	250	230	153	166
326	320	340	330	320	280	326
3,400	3,200	3,400	3,300	3,300	3,300	3,300

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF CHILLICOTHE

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/12/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov