

CITY OF CHILlicoTHE  
ROSS COUNTY, OHIO  
SINGLE AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2023



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Members of Council  
City of Chillicothe  
35 South Paint Street  
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, 2023 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

#### **Finding For Recovery Resolved Under Audit – Law Director Salary**

On December 27, 2021, Chillicothe City Council passed City of Chillicothe Ordinance No. 83-21 which amended section 116.01 of the City Codified Ordinances, which provides that the Law Director of the City of Chillicothe be paid an annual salary of \$54,636.35 beginning January 1, 2022. The amendment also states that commencing January 1, 2024, the annual salary for the Law Director shall be increased by 1.75% (Cola increase) per year.

The City erroneously increased the Law Director's salary for the 1.75% Cola increase on January 1, 2023. This increase resulted in a \$956.14 over payment of the Law Director's salary for 2023. Additionally, the City erroneously increased the Law Director's salary by 1.75% on January 1, 2024. The Law Director was paid the additional amount in 2024 for the first 13 pay dates. This resulted in a \$486.33 overpayment of the Law Director's salary for 2024. As a result of these errors the Law Director Anna Villarreal-Gettel was overpaid \$1,442.47.

In accordance with the forgoing facts and pursuant to the Ohio Revised Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Anna Villarreal-Gettel, in the amount of one thousand four hundred forty-two dollars and forty-seven cents in favor of the General Fund of the City of Chillicothe.

On June 25, 2024, Anna Villarreal-Gettel entered into a repayment agreement with the City of Chillicothe to repay the City \$1,442.47.

#### **Finding For Recovery Resolved Under Audit – Mayor Salary**

On December 27, 2021, Chillicothe City Council passed City of Chillicothe Ordinance No. 83-21 which amended section 114.01 of the City Codified Ordinances, which provides that the Mayor of the City of Chillicothe be paid an annual salary of \$57,477.44 beginning January 1, 2022. The amendment also states that commencing January 1, 2024, the annual salary for the mayor shall be increased by 1.75% (Cola increase) per year.

Members of Council  
City of Chillicothe  
35 South Paint Street  
Chillicothe, Ohio 45601  
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The City erroneously increased the Mayor's salary for the 1.75% Cola increase on January 1, 2023. This increase resulted in a \$1,005.86 over payment of the Mayor's salary for 2023. Additionally, the City erroneously increased the Mayor's salary by 1.75% on January 1, 2024. The Mayor was paid the additional amount in 2024 for the first 13 pay dates. This resulted in a \$511.68 overpayment of the Mayor's salary for 2024. As a result of these errors the Mayor Luke Feeney was overpaid \$1,517.54

In accordance with the forgoing facts and pursuant to the Ohio Revised Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Luke Feeney, in the amount of one thousand five hundred seventeen dollars and fifty-four cents in favor of the General Fund of the City of Chillicothe.

On June 25, 2024, Luke Feeney entered into a repayment agreement with the City of Chillicothe to repay the City \$1,517.54.

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.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 12, 2024

**City of Chillicothe**  
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*For the Year Ended December 31, 2023*

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**City of Chillicothe**  
*Schedule of Expenditures of Federal Awards*  
*For the Year Ended December 31, 2023*

Federal Grantor <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
<i>Passed through Ohio Department of Development:</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	A-F-21-2AW-1	14.228	<u>\$145,500</u>
<b>Total U.S. Department of Housing and Urban Development</b>			145,500
<b>U.S. Department of Justice</b>			
<i>Passed through Ohio Office of the Attorney General:</i>			
Crime Victim Assistance	2023-VOCA-135105421	16.575	17,486
Crime Victim Assistance	2024-VOCA-135499804	16.575	<u>4,971</u>
<i>Total Crime Victim Assistance</i>			22,457
<i>Direct:</i>			
Bulletproof Vest Partnership Program	N	16.607	5,225
<i>Passed through Integrated Services for Behavioral Health:</i>			
Public Safety Partnership and Community Policing Grants	15JCOPS-21-GG-02431-SPPS	16.710	<u>70,143</u>
<b>Total U.S. Department of Justice</b>			97,825
<b>U.S. Department of Transportation</b>			
<i>Passed through Ohio Department of Transportation:</i>			
Formula Grants for Rural Areas and Tribal Transit Program	OH-2020-005	20.509	2,190,158
Formula Grants for Rural Areas and Tribal Transit Program	OH-2023-X01	20.509	<u>385,823</u>
<i>Total Formula Grants for Rural Areas and Tribal Transit Program</i>			<u>2,575,981</u>
<b>Total U.S. Department of Transportation</b>			2,575,981
<b>U.S. Department of the Treasury</b>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N	21.027	674,306
<i>Passed through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	WWIG-2021-182272	21.027	2,050,809
<i>Passed through Ohio Department of Budget and Management:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Ohio Ambulance Transportation Program	N/A	21.027	20,991
<i>Passed through Ohio Department of Public Safety</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds -Chillicothe Community Policing Grants	2022-AR-LEP-920	21.027	<u>796,449</u>
<i>Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i>			<u>3,542,555</u>
<b>Total U.S. Department of the Treasury</b>			<u>3,542,555</u>
<b>Total Federal Awards</b>			<u>\$6,361,861</u>

N - funds received directly from federal government  
N/A - pass through entity number not available

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, 2023*

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**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, 2023. 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, Ohio (the City) as of and for the year ended December 31, 2023, 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 24, 2024, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

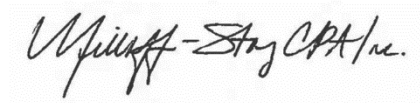
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 Responses to Findings**

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

### **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 24, 2024

**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**

***Qualified Opinion***

We have audited the compliance of City of Chillicothe, Ross County, Ohio (the City) 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, 2023. 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.

***Qualified Opinion on the Assistance Listing (AL) No. 21.027 Coronavirus State and Local Fiscal Recovery Funds***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the AL No. 21.027 Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2023.

***Basis for Qualified Opinion***

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 qualified 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.

City of Chillicothe

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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*Matter Giving Rise to Qualified Opinion on the Assistance Listing (AL) No. 21.027 Coronavirus State and Local Fiscal Recovery Funds*

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2023-003 for Procurement, Suspension and Debarment.

Compliance with such requirement is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

***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.

***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

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.

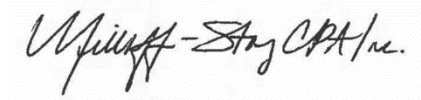
City of Chillicothe

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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**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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 24, 2024, 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 24, 2024

**City of Chillicothe**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Year Ended December 31, 2023*

**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?	Yes
Significant deficiency(ies) identified?	None Reported
Type of auditor’s report issued on compliance for major federal programs:	Qualified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major federal program(s):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027
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 2023-001 – Material Weakness – Financial Statement and Schedule of Expenditures of Federal Awards 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 and Schedule of Expenditures of Federal Awards (the Schedule). In the American Rescue Plan Act (ARPA) fund, revenues and expenses were materially understated and cash and unearned revenue was materially overstated. In the Sewer fund, cash was understated and expenses were overstated. These errors were corrected in the financial statements. Additionally, an error in the calculation of income taxes receivable and unavailable revenue led to an immaterial understatement of income taxes receivable and unavailable revenue and an error in the reporting of capital assets resulted in the capital assets of the Business-Type activities and Sewer Fund to be understated. Correction of these errors were waived by the audit team and management. Finally, expenditures were understated in the Schedule of Expenditures of Federal Awards for the ARPA fund. This error was corrected on the Schedule. 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.

**City of Chillicothe**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Year Ended December 31, 2023*

**Finding 2023-002 – Material Weakness – Budget to Accounting System**

Accurate budgetary information within the City’s accounting system is pertinent to ensure that the City has accurate and complete information for decision-making processes. Amendments to the budget should be properly documented in the minute record to provide assurance that changes to appropriations are authorized by the governing board. Budgetary information entered into the accounting system did not match amounts per budgetary filings received from the County Auditor. We noted a material variance between final budgetary filings and system totals in beginning fund balances in the Transit Fund and an immaterial variance between the final budgetary filings and the system reports in the Sewer Fund. The City should implement the appropriate procedures to ensure that all authorized budgetary amendments are properly recorded in the accounting system.

*Client Response:*

See accompanying corrective action plan.

**Section III – Federal Award Findings and Questioned Costs**

<b>ALN Title and Number</b>	COVID-19 Coronavirus State and Local Fiscal Recovery, AL #21.027		
<b>Federal Award Number and Year</b>	2023		
<b>Federal Agency</b>	United States Department of Education		
<b>Pass-Through Entity</b>	N/A (Direct)		
<b>Repeat Finding from Prior Audit?</b>	No	<b>Finding Number (if repeat)</b>	N/A

**Finding 2023-003 – Noncompliance/Material Weakness – Procurement, Suspension and Debarment**

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov | Home (click on Search Record, then click on Advanced Search-Exclusions) (Note: The OMB guidance at 2 CFR part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR 180.300).

During testing of federal compliance, the City was unable to provide evidence of checking the suspended or debarred list for covered transactions. The City should implement additional procedures to ensure that vendors for covered transactions are not on the suspended or debarred list.





**City of Chillicothe**  
*Corrective Action Plan*  
*2 CFR Section 200.511(c)*  
*For the Year Ended December 31, 2023*

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	City Auditor will review SEFA report and tie out ARPA fund expenditures to ARPA annual report.	June 25, 2024	Kristal Spetnagel, City Auditor
2023-002	There was an error in reporting that was corrected prior to the audit. The balance was corrected with the next filing. Auditor will amend original filing.	June 24, 2024	Kristal Spetnagel, City Auditor
2023-003	The City will review SAM.gov for suspension and debarment vendors. The City will document evidence of completion.	June 24, 2024	Kristal Spetnagel, City Auditor Luke Feeney, Mayor





**City of Chillicothe**  
*Schedule of Prior Audit Findings*  
*2 CFR Section 200.511(b)*  
*For the Year Ended December 31, 2023*

Finding Number	Finding Summary	Status	Additional Information
Finding 2022-001	Material Weakness – Financial Statement Presentation	Not Corrected.	Reissued as Finding 2023-001



# **City of Chillicothe, Ohio Annual Comprehensive Financial Report**

**For the Year Ended December 31, 2023**



**Kristal Spetnagel  
Chillicothe City Auditor**

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**City of Chillicothe, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2023*  
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**CHILICOTHE**  
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL  
City Auditor

June 24, 2024

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, 2023. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2023. 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 2023 basic financial statements were audited by Millhuff-Stang, CPA, Inc. This audit was conducted according to generally accepted auditing standards and *Government Auditing Standards* and included a legal and financial compliance audit, a review of internal controls, and tests of transactions. The Independent Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

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

## History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35, and 50 approximately 45 miles south of Columbus, Ohio, Chillicothe covers 9.7 square miles and has approximately 22,059 citizens according to the 2023 US Census Bureau estimates. The City has fifteen public parks consisting of 228 acres, six public schools, one parochial school, one charter school, a branch of Ohio University, and two public libraries.

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

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

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

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

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

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

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

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

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

## Economic Outlook

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

Employment in the Chillicothe and Ross County region is dominated by manufacturing (Pixelle Co., PACCAR Inc.), government (Ross County, City of Chillicothe, Ohio University Chillicothe), and healthcare (Adena Regional Medical Center). According to the Bureau of Labor Statistics the average unemployment rate for the Chillicothe Metropolitan area in 2023 was 3%.

Other developments of note:

Significant retail development was ongoing throughout the city. During 2023, several new businesses evolved such as, Jersey Mikes, Praises Books & Gifts, The Loft on Bridge LLC, The Coffee Hub, Ashley Furniture, The Lunch Box, Shop Small Boutique Mall, Mill City Apparel, The Page, Happy Tails Training, The Coop Chillicothe, First Capital Brews Cruz, and Crumbl Cookies.

The City of Chillicothe has several projects built into the budget for 2023 and 2024, 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 .02%. The first is dedicated to the City Street construction, maintenance, and repair while the other is dedicated to safety services. The overall Chillicothe City income tax increased from 1.6% to 2.0% effective January 1, 2016. The levy is aimed at paving the streets of Chillicothe and restoring the safety levy capital account to its full potential, allowing Police and Fire to catch up on needed capital improvements.

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

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

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, 2022. 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-two 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 33<sup>rd</sup> 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, looped initial 'K'.

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, 2022

*Christopher P. Morill*

Executive Director/CEO

**City of Chillicothe, Ohio**  
*Listing of Elected Officials*  
*As of December 31, 2023*

---

Mayor

Luke Feeney  
Term Expires 12/31/23

City Council

Joe Gieringer  
President  
Term Expires 12/31/23

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

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

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

Steve Barnes  
4<sup>th</sup> Ward Council  
Term Expires 12/31/23

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

Jamie Brown  
6<sup>th</sup> 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

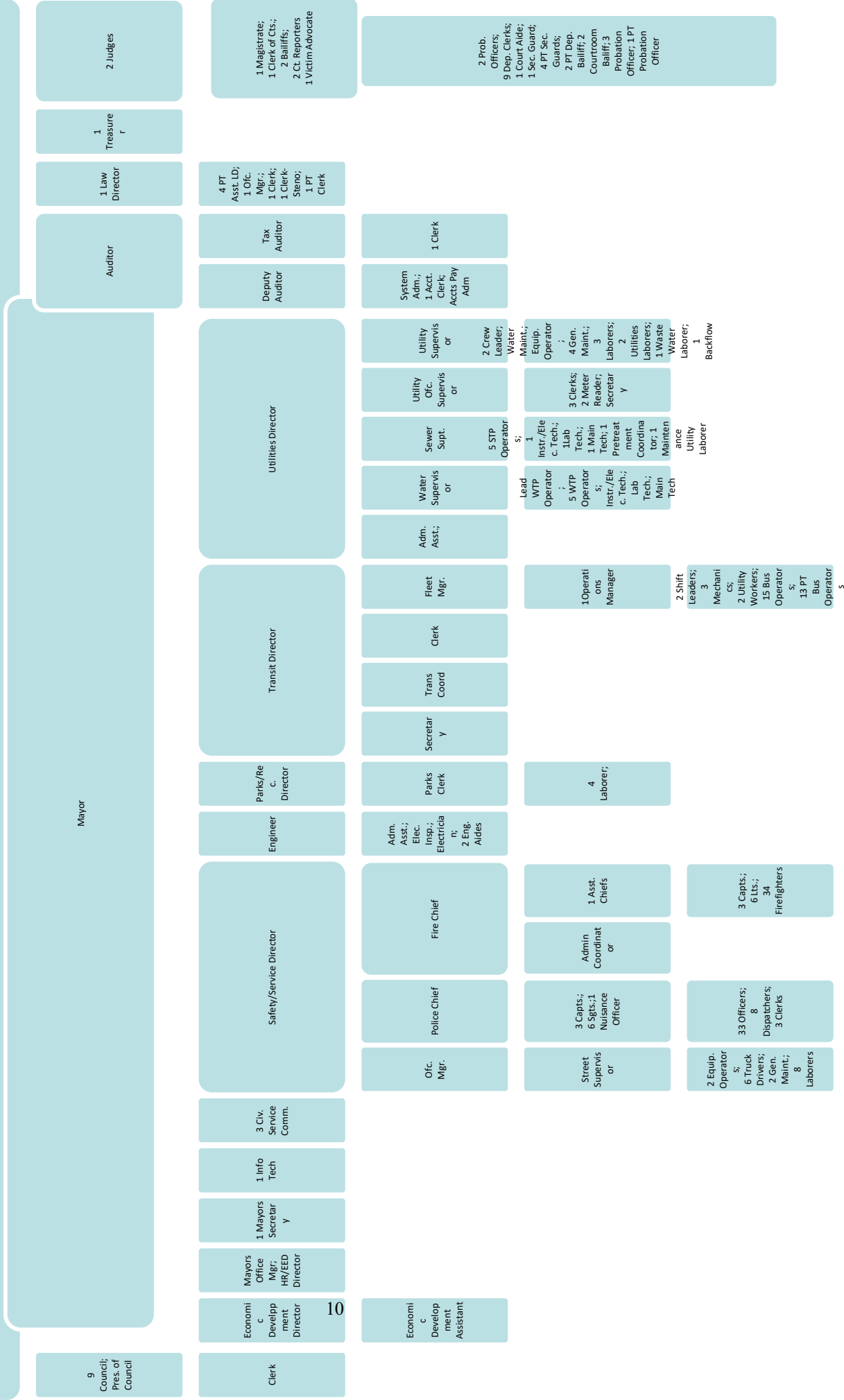


**City of Chillicothe, Ohio**  
*Listing of Appointed Officials*  
*As of December 31, 2023*

---

City Engineer	David Fishel (01/23-08/23) David.Fishel@chillicotheoh.gov
Utilities Director	Brad Long Brad.long@chillicotheoh.gov
Safety/Service Director	Jeffrey Carman Jeff.carman@chillicotheoh.gov
Parks/Recreation Director	Bill Bonner Bill.bonner@chillicotheoh.gov
Human Resources	Terrill Barnes Terrill.barnes@chillicotheoh.gov
Transit Director	Aaron Kennedy Aaron.kennedy@chillicotheoh.gov
Clerk of Council	Kennedy Moss Kennedy.moss@chillicotheoh.gov
Assistant Law Director	John Judkins 740-774-4175
Assistant Law Director	Michele Rout (01/23-11/23) 740-774-4175 Angela Hirsch (11/23-12/23) 740-774-4175
Assistant Law Director	Jason Miller 740-774-4175
Assistant Law Director	Benjamin Sigall 740-774-4175

# GENERAL PUBLIC



**City of Chillicothe, Ohio**  
*City Auditor's Staff*  
*As of December 31, 2023*

---

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
Accounting Clerk	Tina Frease

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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, Ohio (the City), as of and for the year ended December 31, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General, Street Construction Maintenance and Repair, American Rescue Plan Act, and Bus Transit funds 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.

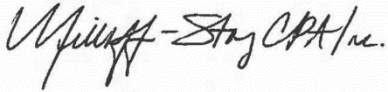
***Other Information***

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 24, 2024 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.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

June 24, 2024



**City of Chillicothe**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

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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, 2023. 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 \$490,111; net position of the governmental activities decreased \$151,373, and net position of the business-type activities increased \$641,484.
- The general fund balance of \$8,991,708 increased \$2,034,662 or 29 percent, from the previous year's balance of \$6,957,046. The general fund experienced an increase in the amount of recognizable income taxes and property taxes, as well as a decrease in expenditures due to a decrease in capital outlay.

**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)

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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 24 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, street construction maintenance and repair fund, American Rescue Plan Act fund, and bus transit fund, which are considered to be major funds. Data from the other 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.

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**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and Other Assets	\$31,479,445	\$31,842,652	\$10,818,024	\$11,051,101	\$42,297,469	\$42,893,753
Capital Assets, Net	42,143,652	41,492,887	45,673,411	33,070,796	87,817,063	74,563,683
<i>Total Assets</i>	<i>73,623,097</i>	<i>73,335,539</i>	<i>56,491,435</i>	<i>44,121,897</i>	<i>130,114,532</i>	<i>117,457,436</i>
<b>Deferred Outflows</b>	17,063,445	8,299,391	2,676,633	757,708	19,740,078	9,057,099
<b>Liabilities</b>						
Current and Other Liabilities	5,383,434	7,094,814	360,766	337,596	5,744,200	7,432,410
<i>Long-Term Liabilities</i>						
Due Within One Year	1,966,639	1,851,958	371,969	451,492	2,338,608	2,303,450
Other Amounts Due in More Than One Year	7,833,191	6,942,757	13,165,092	1,084,826	20,998,283	8,027,583
Net Pension Liability	37,714,765	18,615,732	5,198,649	1,363,947	42,913,414	19,979,679
Net OPEB Liability	2,139,164	2,680,188	108,785	0	2,247,949	2,680,188
<i>Total Liabilities</i>	<i>55,037,193</i>	<i>37,185,449</i>	<i>19,205,261</i>	<i>3,237,861</i>	<i>74,242,454</i>	<i>40,423,310</i>
<b>Deferred Inflows</b>	6,137,393	14,786,152	64,356	2,384,777	6,201,749	17,170,929
<b>Net Position</b>						
Net Investment in Capital Assets	35,684,795	34,507,767	33,752,467	32,547,979	69,437,262	67,055,746
<i>Restricted for:</i>						
Debt Service	232,332	232,332	0	0	232,332	232,332
Capital Projects	4,712,312	3,679,712	618,466	618,466	5,330,778	4,298,178
Other Purposes	7,001,336	7,061,190	0	0	7,001,336	7,061,190
<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)	(18,122,197)	(15,821,050)	5,527,518	6,090,522	(12,594,679)	(9,730,528)
<i>Total Net Position</i>	<i>\$29,511,956</i>	<i>\$29,663,329</i>	<i>\$39,898,451</i>	<i>\$39,256,967</i>	<i>\$69,410,407</i>	<i>\$68,920,296</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, 2023 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 decreased by \$363,207 or 1.14 percent due to decreases in cash and cash equivalents with fiscal agents due to a decrease in balances held at the Jefferson Health Plan for the City's self-insurance program and in income taxes receivable due to a decrease in measurable subsequent collections from the prior year, which was partially offset by an increase in cash and cash equivalents held by the City. The City saw a decrease in net OPEB asset for the year as reported by the Ohio Public Employees Retirement System. Capital assets of the governmental activities increased \$650,765, or 1.57 percent, due to additions exceeding depreciation expense and disposals. Current and other liabilities decreased \$1,711,380 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. Long-term liabilities increased \$19,563,124 as a result of an increase to the estimates for the net pension and OPEB liabilities and the issuance of general obligation bonds and an OPWC loan, which was partially offset by a decrease for principal payments.

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Current and other assets of business-type activities decreased by \$233,077, or 2.11 percent, as a result of a decrease in internal balances and the net OPEB asset, which was partially offset by an increase in equity in pooled cash and cash equivalents and accounts receivable. Capital assets increased by \$12,602,615, or 38.11 percent due to acquisitions for the year in excess of depreciation expense and disposals. Current and other liabilities of business-type activities remained consistent with the prior year. Long-term liabilities increased by \$15,944,230 as a result of increases to the estimates for net pension and OPEB liabilities and the issuance of an OWDA loan.

The City's total net position increased from \$68,920,296 at the beginning of the year to \$69,410,407 at the end of the year, a change of \$490,111, or 0.71 percent. This increase is the result of a decrease in the net position of the governmental activities of \$151,373, or 0.51 percent, and an increase in the net position of the business-type activities of \$641,484, or 1.63 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 2023 and 2022.

**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$9,291,170	\$9,558,203	\$8,175,306	\$7,936,605	\$17,466,476	\$17,494,808
Operating Grants and Contributions	7,176,946	5,719,023	0	0	7,176,946	5,719,023
Capital Grants and Contributions	0	252,881	2,100,809	0	2,100,809	252,881
<i>Total Program Revenues</i>	<u>16,468,116</u>	<u>15,530,107</u>	<u>10,276,115</u>	<u>7,936,605</u>	<u>26,744,231</u>	<u>23,466,712</u>
<i>General Revenues:</i>						
Property Taxes	1,528,898	1,360,281	0	0	1,528,898	1,360,281
Income and Other Taxes	19,115,060	18,736,114	0	0	19,115,060	18,736,114
Unrestricted Grants and Entitlements	1,006,828	950,770	0	0	1,006,828	950,770
Unrestricted Contributions and Donations	1,100	4,250	0	0	1,100	4,250
Investment Earnings	758,255	35,591	0	0	758,255	35,591
Gain on Sale of Capital Assets	16,400	4,507	0	0	16,400	4,507
Insurance Recoveries	320,048	0	0	0	320,048	0
Other	267,010	267,079	149,784	87,384	416,794	354,463
<i>Total General Revenues</i>	<u>23,013,599</u>	<u>21,358,592</u>	<u>149,784</u>	<u>87,384</u>	<u>23,163,383</u>	<u>21,445,976</u>
<i>Total Revenues</i>	<u>39,481,715</u>	<u>36,888,699</u>	<u>10,425,899</u>	<u>8,023,989</u>	<u>49,907,614</u>	<u>44,912,688</u>

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**Changes in Net Position**  
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Program Expenses</b>						
General Government	\$7,448,104	\$5,356,545	\$0	\$0	\$7,448,104	\$5,356,545
<i>Security of Persons and Property:</i>						
Police	8,456,979	5,831,283	0	0	8,456,979	5,831,283
Fire	7,922,093	6,505,917	0	0	7,922,093	6,505,917
Public Health	29,997	38,427	0	0	29,997	38,427
Leisure Time Services	1,349,042	974,476	0	0	1,349,042	974,476
Community Environment	625,414	551,698	0	0	625,414	551,698
Basic Utility Services	1,492,008	1,082,742	0	0	1,492,008	1,082,742
Transportation	11,879,627	9,821,764	0	0	11,879,627	9,821,764
Intergovernmental	200,000	0	0	0	200,000	0
Interest on Long-Term Debt	167,174	189,519	0	0	167,174	189,519
Issuance Costs	46,400	0	0	0	46,400	0
Water and Sewer	0	0	9,800,665	7,500,181	9,800,665	7,500,181
<b>Total Expenses</b>	<b>39,616,838</b>	<b>30,352,371</b>	<b>9,800,665</b>	<b>7,500,181</b>	<b>49,417,503</b>	<b>37,852,552</b>
<i>Increase (Decrease) in Net Position Before Transfers</i>	(135,123)	6,536,328	625,234	523,808	490,111	7,060,136
<b>Transfers In (Out)</b>	(16,250)	(10,000)	16,250	10,000	0	0
<b>Changes in Net Position</b>	<b>(151,373)</b>	<b>6,526,328</b>	<b>641,484</b>	<b>533,808</b>	<b>490,111</b>	<b>7,060,136</b>
<i>Net Position at Beginning of Year</i>	29,663,329	23,137,001	39,256,967	38,723,159	68,920,296	61,860,160
<b>Net Position at End of Year</b>	<b>\$29,511,956</b>	<b>\$29,663,329</b>	<b>\$39,898,451</b>	<b>\$39,256,967</b>	<b>\$69,410,407</b>	<b>\$68,920,296</b>

Governmental Activities

Governmental activities decreased the City's net position by \$151,373. The City saw an increase in income tax, charges for services revenues and operating grants and contributions and investment earnings. Income taxes increased due to an increase in revenues collected during the year. Charges for services increased due to services provided by the City. Operating grants and contributions increased due to an increase in Issue II, state grants, ARPA, and ARPA violent crimes monies received during the year. Investment earnings increased as a result of an increase in cash and cash equivalents as of year end and the type of investments held by the City. Expenses increased significantly between years primarily due to the City's increased net pension and OPEB liabilities since these are netted against the City's functional expenses, in addition to additional spending related to the aforementioned grant programs.

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**Revenues**  
**Governmental Activities**

Revenue Source	Percentage of Total Revenues
Income and Other Taxes	48.41%
Operating Grants and Contributions	18.18%
Charges for Services	23.53%
Property Taxes	3.87%
Unrestricted Grants and Entitlements	2.55%
Investment Earnings	1.92%
Other	1.54%
Total	100.00%

Of the \$39,481,715 in total revenues, income and other taxes accounted for 48.41 percent; charges for services accounted for 23.53 percent; operating grants and contributions accounted for 18.18 percent; and unrestricted grants and entitlements, unrestricted contributions, property taxes, investment earnings, other revenue, capital grants and contributions, insurance recoveries and gain on sale of capital assets account for the remaining 9.88 percent. The income and other tax revenue for 2023 was \$19,115,060, which was an increase of \$378,946, or 2.02 percent.

**Expenses**  
**Governmental Activities**

Expenses by Function	Percentage of Total Expenses
General Government	18.80%
Police	21.35%
Fire	20.00%
Public Health	0.08%
Leisure Time Services	3.41%
Community Environment	1.58%
Basic Utility Services	3.77%
Transportation	29.97%
Intergovernmental	0.50%
Interest on Long-Term Debt	0.42%
Issuance Costs	0.12%
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 \$641,484. 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 an increase in the net pension and OPEB liability.

**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 2023, the total fund balance for the general fund was \$8,991,708 of which \$5,792,966, or 64.43 percent, was unassigned.

During the current year, the fund balance of the general fund increased by \$2,034,662. The general fund experienced an increase in the amount of recognizable income taxes and debt proceeds.

At the end of 2023, the street construction maintenance and repair fund had a fund balance of \$2,070,289, which is an increase of \$40,225. This was a result of an increase in debt proceeds and a transfer in, which was partially offset by expenditures for road paving and repairs exceeding revenues.

During the year, the American Rescue Plan Act fund recognized \$674,306 in federal grants. These funds were spent by year-end.

At the end of 2023, the bus transit fund had a fund balance of \$5,268,045, which is an increase of \$737,345. This was a result of a decrease expenditures 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 decreased by \$773,142, or 3.44 percent. The decrease in the water fund's net position was due to an increase in expenses for fringe benefits and contractual services.

During the current year, the net position of the sewer fund increased by \$1,566,079, or 9.62 percent. The increase in the sewer fund's net position is the result of an increase in capital grants received during the year, which were partially offset by an increase in fringe benefits and contractual services.



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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 2023, 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 \$30,505,913 and the final budgeted revenues and other financing sources were \$29,338,499. The largest difference between the general fund's original budget and final budget was in income tax revenue, charges for services, and transfers in. These lines decreased \$582,309, \$146,075 and \$175,732, respectively. Income tax revenue decreased due to a significant decrease in collections from what was originally anticipated.

For the general fund, the original budgeted expenditures and other financing uses were \$30,498,731 and the final budgeted expenditures and other financing uses were \$30,521,093. The differences between the general fund's original budget and final amended budget of expenditures amounted to a \$22,362 increase, which included additional appropriations for general government, debt service payments and transfers out, which were offset by decreases in police, fire and capital outlay. 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 \$1,187,402 and \$497,281, or 17.84 and 53.30 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.

**Capital Assets and Debt Administration**

**Capital Assets at December 31**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Land	\$7,281,379	\$7,281,379	\$1,923,669	\$1,923,669
Construction in Progress	34,633	0	16,561,504	2,917,973
Land Improvements	488,335	82,410	43,770	43,907
Buildings, Structures, and Improvements	8,761,634	9,116,865	1,870,097	2,039,631
Plant and Facilities	0	0	9,437,563	9,918,035
Furniture, Fixture, and Equipment	4,131,204	4,011,401	455,350	462,998
Infrastructure	21,201,908	20,672,913	15,379,803	15,761,824
Intangible Right to Use Leased Equipment	244,559	327,919	1,655	2,759
<b>Total</b>	<b>\$42,143,652</b>	<b>\$41,492,887</b>	<b>\$45,673,411</b>	<b>\$33,070,796</b>

Total capital assets for governmental activities of the City for the year 2023 were \$42,143,652, or \$650,765 more than in 2022. This increase was due to the current year acquisitions exceeding current year depreciation and disposals.

The increase in capital assets for business-type activities of \$12,602,615 was due primarily to the current year current year acquisitions in excess of depreciation and disposals.

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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, 2023, the City had \$20,402,576 in bonds and loans outstanding.

**Long-Term Debt Obligations**

	2023	2022
<b>Governmental Activities</b>		
2020 Various Purpose Refunding Bonds	\$2,270,000	\$2,405,000
2016 Street Improvement Bonds	975,000	1,285,000
2017 Street Improvements Bonds	230,000	455,000
2018 Police Cruisers/Squad Bonds	0	59,577
2019 Various Purpose Bonds	1,119,000	1,194,000
2021 Various Purpose Bonds	752,585	994,627
2023 Various Purpose Bonds	2,041,400	0
OPWC Loan	200,000	0
<i>Total Governmental Activities</i>	7,587,985	6,393,204
<b>Business-Type Activities</b>		
2020 Various Purpose Refunding Bonds	0	135,000
2019 Various Purpose Bonds	656,000	686,000
2023 Various Purpose Bonds	613,600	0
OWDA Loan	11,544,991	0
<i>Total Business-Type Activities</i>	12,814,591	821,000
<i>Total</i>	\$20,402,576	\$7,214,204

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 \$11.8 million on street construction projects. This levy has allowed the City to appropriate funds to pave, maintain, and repair roads throughout the City. In order to begin the paving projects, the City borrowed funds which will be paid 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 2023, several new businesses evolved such as, Jersey Mikes, Praises Books & Gifts, The Loft on Bridge LLC, The Coffee Hub, Ashley Furniture, The Lunch

**City of Chillicothe**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

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Box, Shop Small Boutique Mall, Mill City Apparel, The Page, Happy Tails Training, The Coop Chillicothe, First Capital Brews Cruz, and Crumbl Cookies.

The City of Chillicothe has several projects built into the budget for 2023 and 2024, 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, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$20,198,926	\$8,284,516	\$28,483,442
Cash and Cash Equivalents in Segregated Accounts	90,607	0	90,607
Cash and Cash Equivalents with Fiscal Agents	3,075,615	0	3,075,615
Materials and Supplies Inventory	144,684	60,271	204,955
Accrued Interest Receivable	21,976	0	21,976
Accounts Receivable	583,448	1,307,733	1,891,181
Internal Balances	(368,972)	368,972	0
Intergovernmental Receivable	2,229,044	1,606	2,230,650
Prepaid Items	587,168	176,460	763,628
Income Taxes Receivable	3,068,816	0	3,068,816
Other Local Taxes Receivable	117,086	0	117,086
Property Taxes Receivable	1,653,378	0	1,653,378
Special Assessments Receivable	77,669	0	77,669
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466
Non-Depreciable Capital Assets	7,316,012	18,485,173	25,801,185
Depreciable Capital Assets, Net	34,827,640	27,188,238	62,015,878
<i>Total Assets</i>	<u>73,623,097</u>	<u>56,491,435</u>	<u>130,114,532</u>
<b>Deferred Outflows of Resources:</b>			
Pensions	14,742,638	2,351,266	17,093,904
OPEB	2,320,807	325,367	2,646,174
<i>Total Deferred Outflows of Resources</i>	<u>17,063,445</u>	<u>2,676,633</u>	<u>19,740,078</u>
<b>Liabilities:</b>			
Accounts Payable	977,744	161,707	1,139,451
Accrued Wages and Benefits Payable	605,936	134,832	740,768
Contracts Payable	226,680	0	226,680
Intergovernmental Payable	392,987	62,039	455,026
Matured Compensated Absences	11,815	0	11,815
Accrued Interest Payable	16,711	2,188	18,899
Claims Payable	768,226	0	768,226
Unearned Revenue	2,383,335	0	2,383,335
<i>Long-Term Liabilities:</i>			
Due Within One Year	1,966,639	371,969	2,338,608
<i>Due in More Than One Year:</i>			
Other Amounts Due in More Than One Year	7,833,191	13,165,092	20,998,283
Net Pension Liability	37,714,765	5,198,649	42,913,414
Net OPEB Liability	2,139,164	108,785	2,247,949
<i>Total Liabilities</i>	<u>55,037,193</u>	<u>19,205,261</u>	<u>74,242,454</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	1,489,161	0	1,489,161
Pensions	2,437,326	23,096	2,460,422
OPEB	2,210,906	41,260	2,252,166
<i>Total Deferred Inflows of Resources</i>	<u>6,137,393</u>	<u>64,356</u>	<u>6,201,749</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	35,684,795	33,752,467	69,437,262
<i>Restricted for:</i>			
Debt Service	232,332	0	232,332
Capital Outlay	4,712,312	618,466	5,330,778
Street Maintenance and Repair	2,597,412	0	2,597,412
State Grants	330,866	0	330,866
Indigent Drivers Alcohol Treatment Program	355,991	0	355,991
Bus Transit	2,975,471	0	2,975,471
Unclaimed Monies	150,232	0	150,232
Other Purposes	591,364	0	591,364
<i>Permanent Fund Purpose:</i>			
Expendable	2,378	0	2,378
Nonexpendable	1,000	0	1,000
Unrestricted (Deficit)	(18,122,197)	5,527,518	(12,594,679)
<i>Total Net Position</i>	<u>\$29,511,956</u>	<u>\$39,898,451</u>	<u>\$69,410,407</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, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$7,448,104	\$1,839,849	\$360,795	\$0
<i>Security of Persons and Property:</i>				
Police	8,456,979	34,164	981,427	0
Fire	7,922,093	1,169,407	20,990	0
Public Health	29,997	0	0	0
Leisure Time Services	1,349,042	85,784	291,065	0
Community Environment	625,414	0	135,021	0
Basic Utility Services	1,492,008	2,076,315	205,626	0
Transportation	11,879,627	4,085,651	4,941,094	0
Intergovernmental	200,000	0	240,928	0
Interest on Long-Term Debt	167,174	0	0	0
Issuance Costs	46,400	0	0	0
<i>Total Governmental Activities</i>	<u>39,616,838</u>	<u>9,291,170</u>	<u>7,176,946</u>	<u>0</u>
<b>Business-Type Activities:</b>				
Water	5,400,688	4,486,597	0	0
Sewer	4,399,977	3,688,709	0	2,100,809
<i>Total Business-Type Activities</i>	<u>9,800,665</u>	<u>8,175,306</u>	<u>0</u>	<u>2,100,809</u>
<i>Total</i>	<u>\$49,417,503</u>	<u>\$17,466,476</u>	<u>\$7,176,946</u>	<u>\$2,100,809</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

Insurance Recoveries

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Position*

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$5,247,460)	\$0	(\$5,247,460)
(7,441,388)	0	(7,441,388)
(6,731,696)	0	(6,731,696)
(29,997)	0	(29,997)
(972,193)	0	(972,193)
(490,393)	0	(490,393)
789,933	0	789,933
(2,852,882)	0	(2,852,882)
40,928	0	40,928
(167,174)	0	(167,174)
(46,400)	0	(46,400)
(23,148,722)	0	(23,148,722)
0	(914,091)	(914,091)
0	1,389,541	1,389,541
0	475,450	475,450
(23,148,722)	475,450	(22,673,272)
1,229,994	0	1,229,994
298,904	0	298,904
13,989,513	0	13,989,513
2,795,086	0	2,795,086
700,042	0	700,042
1,163,883	0	1,163,883
466,536	0	466,536
1,006,828	0	1,006,828
1,100	0	1,100
758,255	0	758,255
16,400	0	16,400
320,048	0	320,048
267,010	149,784	416,794
23,013,599	149,784	23,163,383
(16,250)	16,250	0
22,997,349	166,034	23,163,383
(151,373)	641,484	490,111
29,663,329	39,256,967	68,920,296
\$29,511,956	\$39,898,451	\$69,410,407

**City of Chillicothe**  
**Balance Sheet**  
**Governmental Funds**  
**As of December 31, 2023**

	General	Street Construction Maintenance and Repair	American Rescue Plan Act	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$7,256,695	\$1,956,649	\$1,565,806	\$5,207,265	\$3,926,400	\$19,912,815
Cash and Cash Equivalents in Segregated Accounts	89,489	0	0	0	1,118	90,607
Materials and Supplies Inventory	75,172	37,464	0	32,004	44	144,684
Accrued Interest Receivable	21,976	0	0	0	0	21,976
Accounts Receivable	362,123	0	0	218,525	2,800	583,448
Interfund Receivable	250,000	0	0	0	0	250,000
Intergovernmental Receivable	515,566	654,511	0	670,632	388,335	2,229,044
Prepaid Items	441,924	15,153	0	61,575	68,516	587,168
Income Taxes Receivable	2,301,611	306,882	0	153,441	306,882	3,068,816
Other Local Taxes Receivable	117,086	0	0	0	0	117,086
Property Taxes Receivable	1,331,594	0	0	0	321,784	1,653,378
Special Assessments Receivable	77,669	0	0	0	0	77,669
Restricted Cash and Cash Equivalents	150,232	0	0	0	0	150,232
<i>Total Assets</i>	<u>\$12,991,137</u>	<u>\$2,970,659</u>	<u>\$1,565,806</u>	<u>\$6,343,442</u>	<u>\$5,015,879</u>	<u>\$28,886,923</u>
<b>Liabilities:</b>						
Accounts Payable	\$591,292	\$74,041	\$0	\$232,826	\$68,735	\$966,894
Accrued Wages and Benefits Payable	472,195	22,236	0	68,747	42,758	605,936
Contracts Payable	0	216,702	0	0	9,978	226,680
Intergovernmental Payable	148,665	11,600	0	34,287	198,435	392,987
Matured Compensated Absences	11,815	0	0	0	0	11,815
Interfund Payable	0	0	0	0	250,000	250,000
Unearned Revenue	0	0	1,565,806	0	817,529	2,383,335
<i>Total Liabilities</i>	<u>1,223,967</u>	<u>324,579</u>	<u>1,565,806</u>	<u>335,860</u>	<u>1,387,435</u>	<u>4,837,647</u>
<b>Deferred Inflows of Resources:</b>						
Property Taxes not Levied to Finance Current Year						
Operations	1,199,123	0	0	0	290,038	1,489,161
<i>Unavailable Revenue:</i>						
Property Taxes	100,795	0	0	0	23,896	124,691
Income Taxes	1,047,621	139,683	0	69,842	139,684	1,396,830
Grants and Entitlements	380,588	436,108	0	669,695	345,317	1,831,708
Special Assessments	47,335	0	0	0	0	47,335
<i>Total Unavailable Revenue</i>	<u>1,576,339</u>	<u>575,791</u>	<u>0</u>	<u>739,537</u>	<u>508,897</u>	<u>3,400,564</u>
<i>Total Deferred Inflows of Resources</i>	<u>2,775,462</u>	<u>575,791</u>	<u>0</u>	<u>739,537</u>	<u>798,935</u>	<u>4,889,725</u>
<b>Fund Balances:</b>						
Nonspendable	667,328	52,617	0	93,579	69,560	883,084
Restricted	0	2,017,672	0	5,174,466	2,820,785	10,012,923
Committed	66,433	0	0	0	0	66,433
Assigned	2,464,981	0	0	0	5,765	2,470,746
Unassigned (Deficit)	5,792,966	0	0	0	(66,601)	5,726,365
<i>Total Fund Balances</i>	<u>8,991,708</u>	<u>2,070,289</u>	<u>0</u>	<u>5,268,045</u>	<u>2,829,509</u>	<u>19,159,551</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$12,991,137</u>	<u>\$2,970,659</u>	<u>\$1,565,806</u>	<u>\$6,343,442</u>	<u>\$5,015,879</u>	<u>\$28,886,923</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, 2023*

<b>Total Governmental Fund Balances</b>		\$19,159,551
<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.		42,143,652
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	124,691	
Income Taxes	1,396,830	
Grants and Entitlements	1,831,708	
Special Assessments	47,335	
<b>Total</b>	<b>3,400,564</b>	
Some interest is not due and payable in the current period and therefore is not reported in the funds.		(16,711)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Refunding Bonds	(2,270,000)	
General Obligation Bonds	(5,117,985)	
Premium on Bonds	(228,404)	
Financed Purchase Agreements	(69,328)	
Leases Payable	(224,821)	
OPWC Loan Payable	(200,000)	
Compensated Absences Payable	(1,689,292)	
<b>Total</b>	<b>(9,799,830)</b>	
The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period; therefore, these liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds.		
Deferred Outflows-Pension	14,742,638	
Deferred Outflows-OPEB	2,320,807	
Net Pension Liability	(37,714,765)	
Net OPEB Liability	(2,139,164)	
Deferred Inflows-Pension	(2,437,326)	
Deferred Inflows-OPEB	(2,210,906)	
<b>Total</b>	<b>(27,438,716)</b>	
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.		2,063,446
<b>Net Position of Governmental Activities</b>		<b>\$29,511,956</b>

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, 2023*

	General	Street Construction Maintenance and Repair	American Rescue Plan Act	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property Taxes	\$1,219,004	\$0	\$0	\$0	\$296,468	\$1,515,472
Income Taxes	14,027,916	1,867,717	0	935,049	1,869,044	18,699,726
Other Local Taxes	466,536	0	0	0	0	466,536
Special Assessments	24,151	0	0	0	0	24,151
Charges for Services	3,782,536	0	0	3,537,431	212,987	7,532,954
Fines, Licenses, and Permits	1,717,405	0	0	0	36,905	1,754,310
Intergovernmental	1,254,994	1,232,786	674,306	2,762,425	2,194,350	8,118,861
Interest	616,673	364	0	182	384	617,603
Change in Fair Value of Investments	39,888	0	0	0	0	39,888
Contributions and Donations	1,100	0	0	0	425	1,525
Other	62,435	95,411	0	39,874	75,631	273,351
<i>Total Revenues</i>	<i>23,212,638</i>	<i>3,196,278</i>	<i>674,306</i>	<i>7,274,961</i>	<i>4,686,194</i>	<i>39,044,377</i>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	6,629,636	0	0	0	46,338	6,675,974
<i>Security of Persons and Property:</i>						
Police	5,789,306	0	0	0	1,668,638	7,457,944
Fire	5,526,983	0	0	0	964,917	6,491,900
Public Health	29,997	0	0	0	0	29,997
Leisure Time Services	0	0	7,221	0	1,186,887	1,194,108
Community Environment	176,671	0	0	0	135,000	311,671
Basic Utility Services	1,210,947	0	205,626	0	0	1,416,573
Transportation	266,384	1,649,975	181,842	6,370,494	280,733	8,749,428
Intergovernmental	0	0	200,000	0	0	200,000
Capital Outlay	458,860	1,875,138	79,617	113,556	2,023,645	4,550,816
<b>Debt Service:</b>						
Principal	233,520	564,730	0	38,627	390,775	1,227,652
Interest	70,403	61,210	0	27,087	41,232	199,932
Issuance Costs	15,800	18,800	0	0	11,800	46,400
<i>Total Expenditures</i>	<i>20,408,507</i>	<i>4,169,853</i>	<i>674,306</i>	<i>6,549,764</i>	<i>6,749,965</i>	<i>38,552,395</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,804,131</i>	<i>(973,575)</i>	<i>0</i>	<i>725,197</i>	<i>(2,063,771)</i>	<i>491,982</i>
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	200,000	0	0	1,593,319	1,793,319
General Obligations Bonds Issued	715,800	813,800	0	0	511,800	2,041,400
Proceeds from OPWC Loans	0	0	0	0	200,000	200,000
Proceeds from Sale of Capital Assets	4,252	0	0	12,148	0	16,400
Insurance Recoveries	320,048	0	0	0	0	320,048
Transfers Out	(1,809,569)	0	0	0	0	(1,809,569)
<i>Total Other Financing Sources (Uses)</i>	<i>(769,469)</i>	<i>1,013,800</i>	<i>0</i>	<i>12,148</i>	<i>2,305,119</i>	<i>2,561,598</i>
<i>Net Change in Fund Balances</i>	<i>2,034,662</i>	<i>40,225</i>	<i>0</i>	<i>737,345</i>	<i>241,348</i>	<i>3,053,580</i>
<i>Fund Balances at Beginning of Year</i>	<i>6,957,046</i>	<i>2,030,064</i>	<i>0</i>	<i>4,530,700</i>	<i>2,588,161</i>	<i>16,105,971</i>
<i>Fund Balances at End of Year</i>	<i>\$8,991,708</i>	<i>\$2,070,289</i>	<i>\$0</i>	<i>\$5,268,045</i>	<i>\$2,829,509</i>	<i>\$19,159,551</i>

See accompanying notes to the basic financial statements.

**City of Chillicothe**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2023*

**Net Change in Fund Balances - Total Governmental Funds** \$3,053,580

*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 capital outlays exceeded depreciation in the current period:

Capital Asset Additions	4,550,816	
Current Year Depreciation	(2,672,781)	
<b>Total</b>	<b>1,878,035</b>	1,878,035

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. (1,227,270)

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

Delinquent Property Taxes	13,426	
Income Taxes	(51,202)	
Other	(6,341)	
Grants and Entitlements	63,558	
Charges for Services	(28,763)	
Delinquent Special Assessments	8,518	
<b>Total</b>	<b>(804)</b>	(804)

Repayments of bond, financed purchase agreement, lease and loan principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.

Principal Payments	1,227,652	
<b>Total</b>	<b>1,227,652</b>	1,227,652

In the statement of activities, interest is accrued on outstanding bonds and financed purchase agreements, whereas in governmental funds, an interest expenditure is reported when due. 2,956

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

General Obligation Bonds Issued	(2,041,400)	
OPWC Loan Issued	(200,000)	
<b>Total</b>	<b>(2,241,400)</b>	(2,241,400)

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	(21,169)	
Amortization of Premiums on Debt Issued	29,802	
<b>Total</b>	<b>8,633</b>	8,633

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

Pensions	2,537,084	
OPEB	38,250	
<b>Total</b>	<b>2,575,334</b>	2,575,334

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

Pensions	(5,249,581)	
OPEB	352,924	
<b>Total</b>	<b>(4,896,657)</b>	(4,896,657)

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. (531,432)

**Net Change in Net Position of Governmental Activities** (\$151,373)

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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$1,264,536	\$1,216,144	\$1,216,144	\$0
Income Taxes	15,216,441	14,634,132	14,634,132	0
Other Local Taxes	472,383	454,306	454,306	0
Special Assessments	17,606	16,932	16,932	0
Charges for Services	3,817,117	3,671,042	3,673,133	2,091
Fines, Licenses, and Permits	1,723,319	1,657,370	1,657,370	0
Intergovernmental	1,860,570	1,789,369	1,326,473	(462,896)
Interest	404,696	389,209	389,209	0
Contributions and Donations	1,144	1,100	1,100	0
Other	54,528	52,441	52,441	0
<i>Total Revenues</i>	24,832,340	23,882,045	23,421,240	(460,805)
<b>Expenditures:</b>				
Current:				
General Government	7,593,898	7,844,624	6,657,222	1,187,402
<i>Security of Persons and Property</i>				
Police	6,746,892	6,177,090	5,823,723	353,367
Fire	6,082,417	5,748,257	5,525,246	223,011
Community Environment	359,666	350,395	144,380	206,015
Basic Utility Services	1,426,347	1,419,465	1,264,329	155,136
Transportation	310,000	310,000	267,175	42,825
Capital Outlay	1,669,261	1,430,186	932,905	497,281
Debt Service:				
Principal	0	221,455	221,455	0
Interest	0	69,335	69,335	0
Issuance Costs	0	15,800	15,800	0
<i>Total Expenditures</i>	24,188,481	23,586,607	20,921,570	2,665,037
<i>Excess of Revenues Over Expenditures</i>	643,859	295,438	2,499,670	2,204,232
<b>Other Financing Sources (Uses)</b>				
Transfers In	4,592,086	4,416,354	4,416,354	0
General Obligation Bonds Issued	744,283	715,800	715,800	0
Proceeds from Sale of Capital Assets	4,421	4,252	4,252	0
Insurance Recoveries	332,783	320,048	320,048	0
Transfers Out	(6,310,250)	(6,934,486)	(6,737,642)	196,844
<i>Total Other Financing Sources (Uses)</i>	(636,677)	(1,478,032)	(1,281,188)	196,844
<i>Net Change in Fund Balances</i>	7,182	(1,182,594)	1,218,482	2,401,076
<i>Fund Balances at Beginning of Year</i>	4,703,030	4,703,030	4,703,030	0
<i>Prior Year Encumbrances Appropriated</i>	831,699	831,699	831,699	0
<i>Fund Balances at End of Year</i>	\$5,541,911	\$4,352,135	\$6,753,211	\$2,401,076

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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$1,763,603	\$1,948,547	\$1,948,547	\$0
Intergovernmental	1,117,400	1,234,578	1,234,578	0
Interest	329	364	364	0
Other	86,355	95,411	95,411	0
<i>Total Revenues</i>	<u>2,967,687</u>	<u>3,278,900</u>	<u>3,278,900</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Transportation	2,195,506	1,666,854	1,440,227	226,627
Capital Outlay	2,389,000	2,817,640	2,050,368	767,272
Debt Service:				
Principal	0	564,730	564,730	0
Interest	0	61,210	61,210	0
Issuance Costs	0	18,800	18,800	0
<i>Total Expenditures</i>	<u>4,584,506</u>	<u>5,129,234</u>	<u>4,135,335</u>	<u>993,899</u>
<i>Excess of Revenues Under Expenditures</i>	(1,616,819)	(1,850,334)	(856,435)	993,899
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,612,321	1,781,400	1,781,400	0
General Obligation Bonds Issued	736,559	813,800	813,800	0
Transfers Out	(1,626,400)	(1,667,394)	(1,634,400)	32,994
<i>Total Other Financing Sources (Uses)</i>	<u>722,480</u>	<u>927,806</u>	<u>960,800</u>	<u>32,994</u>
<i>Net Change in Fund Balances</i>	(894,339)	(922,528)	104,365	1,026,893
<i>Fund Balances at Beginning of Year</i>	1,626,873	1,626,873	1,626,873	0
<i>Prior Year Encumbrances Appropriated</i>	49,931	49,931	49,931	0
<i>Fund Balances at End of Year</i>	<u>\$782,465</u>	<u>\$754,276</u>	<u>\$1,781,169</u>	<u>\$1,026,893</u>

See accompanying notes to the basic financial statements.

**City of Chillicothe**  
*Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)*  
*American Rescue Plan Act Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<i>Total Revenues</i>	0	0	0	0
<b>Expenditures:</b>				
Current:				
Leisure Time Services	0	7,221	7,221	0
Basic Utility Services	0	205,626	205,626	0
Transportation	0	181,842	181,842	0
Intergovernmental	0	200,000	200,000	0
Capital Outlay	0	351,544	79,617	271,927
<i>Total Expenditures</i>	0	946,233	674,306	271,927
<i>Excess of Revenues Under Expenditures</i>	0	(946,233)	(674,306)	271,927
<b>Other Financing Uses</b>				
Transfers Out	(2,000,000)	0	0	0
<i>Total Other Financing Uses</i>	(2,000,000)	0	0	0
<i>Net Change in Fund Balances</i>	(2,000,000)	(946,233)	(674,306)	271,927
<i>Fund Balances at Beginning of Year</i>	2,240,112	2,240,112	2,240,112	0
<i>Fund Balances at End of Year</i>	\$240,112	\$1,293,879	\$1,565,806	\$271,927

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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$1,027,645	\$975,464	\$975,464	\$0
Charges for Services	3,918,249	3,719,293	3,719,293	0
Intergovernmental	2,910,195	2,762,425	2,762,425	0
Interest	192	182	182	0
Other	42,007	39,874	39,874	0
<i>Total Revenues</i>	7,898,288	7,497,238	7,497,238	0
<b>Expenditures:</b>				
Current:				
Transportation	7,891,526	7,678,722	6,540,385	1,138,337
Capital Outlay	164,000	223,769	123,556	100,213
Debt Service:				
Principal	0	38,627	38,627	0
Interest	0	27,087	27,087	0
<i>Total Expenditures</i>	8,055,526	7,968,205	6,729,655	1,238,550
<i>Excess of Revenues Over (Under) Expenditures</i>	(157,238)	(470,967)	767,583	1,238,550
<b>Other Financing Sources (Uses)</b>				
Transfers In	790,026	749,911	749,911	0
Transfers Out	0	(797,257)	(764,263)	32,994
<i>Total Other Financing Sources (Uses)</i>	790,026	(47,346)	(14,352)	32,994
<i>Net Change in Fund Balances</i>	632,788	(518,313)	753,231	1,271,544
<i>Fund Balances at Beginning of Year</i>	4,401,341	4,401,341	4,401,341	0
<i>Prior Year Encumbrances Appropriated</i>	43,200	43,200	43,200	0
<i>Fund Balances at End of Year</i>	\$5,077,329	\$3,926,228	\$5,197,772	\$1,271,544

See accompanying notes to the basic financial statements.

**City of Chillicothe**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**As of December 31, 2023**

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
<b>Assets:</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,762,632	\$2,521,884	\$8,284,516	\$135,879
Cash and Cash Equivalents with Fiscal Agents	0	0	0	3,075,615
Materials and Supplies Inventory	38,776	21,495	60,271	0
Accounts Receivable	736,984	570,749	1,307,733	0
Intergovernmental Receivable	895	711	1,606	0
Prepaid Items	104,192	72,268	176,460	0
<b>Total Current Assets</b>	<b>6,643,479</b>	<b>3,187,107</b>	<b>9,830,586</b>	<b>3,211,494</b>
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466	0
Non-Depreciable Capital Assets	1,608,646	16,876,527	18,485,173	0
Depreciable Capital Assets, Net	16,263,095	10,925,143	27,188,238	0
<b>Total Noncurrent Assets</b>	<b>17,871,741</b>	<b>28,420,136</b>	<b>46,291,877</b>	<b>0</b>
<b>Total Assets</b>	<b>24,515,220</b>	<b>31,607,243</b>	<b>56,122,463</b>	<b>3,211,494</b>
<b>Deferred Outflows of Resources:</b>				
Pensions	1,307,924	1,043,342	2,351,266	0
OPEB	180,886	144,481	325,367	0
<b>Total Deferred Outflows of Resources</b>	<b>1,488,810</b>	<b>1,187,823</b>	<b>2,676,633</b>	<b>0</b>
<b>Liabilities:</b>				
<i>Current:</i>				
Accounts Payable	74,029	87,678	161,707	10,850
Accrued Wages and Benefits Payable	65,383	69,449	134,832	0
Intergovernmental Payable	34,005	28,034	62,039	0
Accrued Interest Payable	1,094	1,094	2,188	0
Claims Payable	0	0	0	768,226
Compensated Absences Payable	245,944	65,891	311,835	0
General Obligation Bonds Payable	29,600	29,600	59,200	0
Leases Payable	934	0	934	0
<b>Total Current Liabilities</b>	<b>450,989</b>	<b>281,746</b>	<b>732,735</b>	<b>779,076</b>
<i>Noncurrent:</i>				
Compensated Absences Payable-Net of Current Portion	284,647	59,225	343,872	0
General Obligation Bonds Payable-Net of Current Portion	629,903	646,326	1,276,229	0
OWDA Loans Payable - Net of Current Portion	0	11,544,991	11,544,991	0
Net Pension Liability	2,868,220	2,330,429	5,198,649	0
Net OPEB Liability	60,019	48,766	108,785	0
<b>Total Noncurrent Liabilities</b>	<b>3,842,789</b>	<b>14,629,737</b>	<b>18,472,526</b>	<b>0</b>
<b>Total Liabilities</b>	<b>4,293,778</b>	<b>14,911,483</b>	<b>19,205,261</b>	<b>779,076</b>
<b>Deferred Inflows of Resources:</b>				
Pensions	0	23,096	23,096	0
OPEB	21,074	20,186	41,260	0
<b>Total Deferred Inflows of Resources</b>	<b>21,074</b>	<b>43,282</b>	<b>64,356</b>	<b>0</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	17,691,512	16,060,955	33,752,467	0
Restricted for:				
Capital Outlay	0	618,466	618,466	0
Unrestricted	3,997,666	1,160,880	5,158,546	2,432,418
<b>Total Net Position</b>	<b>\$21,689,178</b>	<b>\$17,840,301</b>	<b>39,529,479</b>	<b>\$2,432,418</b>

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

368,972

Net Position of Business-Type Activities

\$39,898,451

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, 2023*

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
<b>Operating Revenues:</b>				
Charges for Services	\$4,486,597	\$3,688,709	\$8,175,306	\$5,878,689
Other	65,852	83,932	149,784	0
<i>Total Operating Revenues</i>	<u>4,552,449</u>	<u>3,772,641</u>	<u>8,325,090</u>	<u>5,878,689</u>
<b>Operating Expenses:</b>				
Personal Services	1,735,793	1,248,422	2,984,215	0
Fringe Benefits	958,242	675,375	1,633,617	0
Travel	0	221	221	0
Contractual Services	1,033,834	1,367,672	2,401,506	1,139,013
Materials and Supplies	577,603	258,222	835,825	426,241
Claims	0	0	0	5,098,014
Depreciation	873,818	698,685	1,572,503	0
Other	14,790	0	14,790	0
<i>Total Operating Expenses</i>	<u>5,194,080</u>	<u>4,248,597</u>	<u>9,442,677</u>	<u>6,663,268</u>
<i>Operating Loss</i>	(641,631)	(475,956)	(1,117,587)	(784,579)
<b>Nonoperating Revenues (Expenses)</b>				
Interest Revenue	0	0	0	101,694
Interest Expense	(12,242)	(65,645)	(77,887)	0
Loss on Sale of Capital Assets	(112,469)	(2,579)	(115,048)	0
Bond Issuance Costs	(6,800)	(6,800)	(13,600)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(131,511)</u>	<u>(75,024)</u>	<u>(206,535)</u>	<u>101,694</u>
<i>Loss Before Capital Contributions and Transfers</i>	(773,142)	(550,980)	(1,324,122)	(682,885)
Capital Contributions	0	2,100,809	2,100,809	0
Transfers In	0	16,250	16,250	0
<i>Change in Net Position</i>	(773,142)	1,566,079	792,937	(682,885)
<i>Net Position Beginning of Year</i>	<u>22,462,320</u>	<u>16,274,222</u>	<u>38,736,542</u>	<u>3,115,303</u>
<i>Net Position End of Year</i>	<u>\$21,689,178</u>	<u>\$17,840,301</u>	<u>39,529,479</u>	<u>\$2,432,418</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Business-Type Activities			<u>(151,453)</u>	
Change in Net Position - Total Business-Type Activities			<u>\$641,484</u>	

See accompanying notes to the basic financial statements.

**City of Chillicothe**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$4,449,550	\$3,631,989	\$8,081,539	\$5,878,689
Cash Received from Other Receipts	65,608	83,812	149,420	0
Cash Payments to Employees	(2,423,937)	(2,003,580)	(4,427,517)	0
Cash Payments for Claims	0	0	0	(5,076,891)
Cash Payments for Contractual Services	(1,028,368)	(1,347,859)	(2,376,227)	(1,139,013)
Cash Payments for Supplies and Materials	(589,175)	(270,198)	(859,373)	(448,636)
Cash Payments for Other Expenses	(14,790)	(221)	(15,011)	0
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>458,888</u>	<u>93,943</u>	<u>552,831</u>	<u>(785,851)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In from Other Funds	0	16,250	16,250	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>16,250</u>	<u>16,250</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds Received from General Obligation Bonds and Loans	300,000	11,894,991	12,194,991	0
Principal Paid on Bonds and Leases	(16,323)	(200,000)	(216,323)	0
Interest Paid on Bonds and Leases	(13,836)	(68,835)	(82,671)	0
Cash Received to Acquire/Construct Capital Assets	0	2,100,809	2,100,809	0
Cash Paid to Acquire/Construct Capital Assets	(408,279)	(13,881,887)	(14,290,166)	0
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>(138,438)</u>	<u>(154,922)</u>	<u>(293,360)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>				
Investment Earnings	0	0	0	101,694
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>101,694</u>
<i>Net Change in Cash and Cash Equivalents</i>	320,450	(44,729)	275,721	(684,157)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,442,182</u>	<u>3,185,079</u>	<u>8,627,261</u>	<u>3,895,651</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$5,762,632</u></u>	<u><u>\$3,140,350</u></u>	<u><u>\$8,902,982</u></u>	<u><u>\$3,211,494</u></u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities</b>				
Operating Loss	(\$641,631)	(\$475,956)	(\$1,117,587)	(\$784,579)
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:</i>				
Depreciation Expense	873,818	698,685	1,572,503	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows:</i>				
Increase in Accounts Receivable	(37,047)	(56,720)	(93,767)	0
Increase in Intergovernmental Receivable	(244)	(120)	(364)	0
(Increase) Decrease in Materials and Supplies Inventory	6,004	(10,094)	(4,090)	0
Increase in Prepaid Items	(8,708)	(19,073)	(27,781)	0
Decrease in Net OPEB Asset	257,248	226,099	483,347	0
Increase in Deferred Outflows of Resources	(1,072,048)	(846,877)	(1,918,925)	0
Increase (Decrease) in Accounts Payable	7,412	53,117	60,529	(22,395)
Increase (Decrease) in Accrued Wages and Benefits Payable	3,416	(9,891)	(6,475)	0
Decrease in Contracts Payable	(10,814)	(16,113)	(26,927)	0
Decrease in Intergovernmental Payable	(636)	(416)	(1,052)	0
Increase (Decrease) in Compensated Absences Payable	50,437	(40,083)	10,354	0
Increase in Claims Payable	0	0	0	21,123
Increase in Net Pension Liability	2,162,730	1,671,972	3,834,702	0
Increase in Net OPEB Liability	60,019	48,766	108,785	0
Decrease in Deferred Inflows of Resources	(1,191,068)	(1,129,353)	(2,320,421)	0
<i>Net Cash Provided (Used) by Operating Activities</i>	<u><u>\$458,888</u></u>	<u><u>\$93,943</u></u>	<u><u>\$552,831</u></u>	<u><u>(\$785,851)</u></u>

See accompanying notes to the basic financial statements.

**City of Chillicothe**  
*Statement of Fiduciary Net Position*  
*Custodial Funds*  
*As of December 31, 2023*

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**Assets:**

Equity in Pooled Cash and Cash Equivalents	\$38,022
Cash and Cash Equivalents in Segregated Accounts	91,633
<i>Total Assets</i>	<u>129,655</u>

**Liabilities:**

Intergovernmental Payable	51,467
<i>Total Liabilities</i>	<u>51,467</u>

**Net Position:**

Restricted for Individuals, Organizations, and Other Governments	78,188
<i>Total Net Position</i>	<u><u>\$78,188</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, 2023*

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<b>Additions:</b>	
Fines and Forfeitures for Other Governments	<u>\$2,296,212</u>
<i>Total Additions</i>	<u>2,296,212</u>
 <b>Deductions:</b>	
Fines and Forfeitures Distributions to Other Governments	<u>2,328,285</u>
<i>Total Deductions</i>	<u>2,328,285</u>
 <i>Change in Net Position</i>	 (32,073)
 <i>Net Position at Beginning of Year</i>	 <u>110,261</u>
 <i>Net Position at End of Year</i>	 <u><u>\$78,188</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, 2023*

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

Fund Financial Statements

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

**Fund Accounting**

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

Governmental Funds

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

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

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

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

*Bus Transit Fund* – This fund accounts for the operation of the City bus transit system. Principal sources of revenue are income tax revenue, charges for services, and grants.

The other 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.

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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Proprietary Funds

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

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

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

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

Fiduciary Funds

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

**Measurement Focus**

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**Basis of Accounting**

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

Revenues – Exchange and Nonexchange Transactions

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

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

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



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*Notes to the Basic Financial Statements*  
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(OPEB). Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 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.

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.

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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**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 2023 amounted to \$616,673, which includes \$475,313 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, 2023 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it is consumed.

**Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the City are reported as restricted in the general fund. Restricted assets in the enterprise funds represent cash and cash equivalents that are restricted in their use by legal or contractual requirements.

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City maintained a capitalization threshold of \$500 through December 31, 2021. For capitalized assets recognized on or after January 1, 2022, the City utilized 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.

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. These amounts are recorded in the amount “matured compensated absences payable” in the applicable fund. 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 (gain), 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.

*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.

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

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

**Net Position**

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

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

**Operating Revenues and Expenses**

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

**Unearned Revenue**

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

**Interfund Transactions**

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

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

**Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the government-wide financial statements. On the

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

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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 2023.

**Estimates**

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

**Note 3 – Budgetary Basis of Accounting**

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

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

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

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

**City of Chillicothe**  
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Net Change in Fund Balance

	General	Street Construction Maintenance and Repair	ARPA	Bus Transit
GAAP Basis	\$2,034,662	\$40,225	\$0	\$737,345
Adjustments:				
Net Adjustments for Revenue Accruals	286,142	82,622	(674,306)	222,277
Net Adjustments for Expenditure Accruals	(530,670)	211,011	0	(169,891)
Net Adjustments for Other Sources (Uses)	(373,719)	(53,000)	0	(26,500)
Encumbrances	(140,692)	(176,493)	0	(10,000)
<i>Perspective Differences:</i>				
Activity of Funds Reclassified for GAAP Reporting Purposes	(57,241)	0	0	0
Budget Basis	<u>\$1,218,482</u>	<u>\$104,365</u>	<u>(\$674,306)</u>	<u>\$753,231</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;
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;

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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	\$29,424,381
Segregated	309,948
Reconciling items (net) to arrive at bank balances for deposits	<u>(412,159)</u>
<i>Total available for deposit and investment</i>	<u><u>\$29,322,170</u></u>

### **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, 2023 was \$3,075,615. 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, 2023, the carrying amount of all City deposits, including deposits in segregated accounts, was \$29,322,170. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2023, the City's bank balance of \$24,800,739 was either covered by the Federal Deposit Insurance or collateralized by the financial institution's public entity deposit pools in the manner described below. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

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



**City of Chillicothe**  
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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, 2023, the City had the following investment and maturity:

Investment Type	Fair Value	Maturity	% of Portfolio
Negotiable Certificates of Deposit	\$243,036	Less Than 1 Year	4.93%
Negotiable Certificates of Deposit	238,931	1 to 2 Years	4.84%
Negotiable Certificates of Deposit	4,451,623	3 to 5 Years	90.23%
Total	<u>\$4,933,590</u>		<u>100.00%</u>

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

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

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

The City has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the City’s recurring fair value measurements as of December 31, 2023. The City’s investments are Level 1 inputs.

**City of Chillicothe**  
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**Note 5 – Receivables**

Receivables at December 31, 2023 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:

<b>Governmental Activities:</b>	
<i>General Fund:</i>	
Local Government Distributions	\$454,049
Workers Compensation Rebate	6,176
Law Director Salary Subsidy	54,341
Police Grant	1,000
<i>Total General Fund</i>	515,566
Street Construction Maintenance and Repair Distributions	654,511
Bus Transit Grants	670,632
 <i>Nonmajor Governmental Funds:</i>	
State Highway Distributions	\$53,040
Parks and Recreation	244
State Grants	40,833
Law Enforcement	2,121
Parking	71
Police and Fire Pension State Property Tax Reimbursements	17,026
Parks and Recreation Capital	275,000
<i>Total Nonmajor Governmental Funds</i>	388,335
<i>Total Governmental Activities</i>	\$2,229,044
 <b>Business-Type Activities:</b>	
Water	\$895
Sewer	711
<i>Total Business-Type Activities</i>	\$1,606

**City of Chillicothe**  
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**Note 6 – Capital Assets**

The following table provides a summary of the changes in capital assets during 2023 for the governmental activities:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
<b>Governmental Activities:</b>				
<i>Nondepreciable Capital Assets:</i>				
Land	\$7,281,379	\$0	\$0	\$7,281,379
Construction in Progress	0	34,633	0	34,633
Total Nondepreciable Capital Assets	7,281,379	34,633	0	7,316,012
<i>Depreciable Capital Assets:</i>				
Land Improvements	5,229,992	457,308	0	5,687,300
Buildings, Structures, and Improvements	22,176,001	240,796	0	22,416,797
Furniture, Fixtures, Equipment, and Vehicles	18,021,971	932,920	(183,225)	18,771,666
Infrastructure	71,648,701	2,885,159	(1,413,455)	73,120,405
Intangible Right to Use Leased Equipment	776,811	0	0	776,811
Total Depreciable Capital Assets	117,853,476	4,516,183	(1,596,680)	120,772,979
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(5,147,582)	(51,383)	0	(5,198,965)
Buildings, Structures, and Improvements	(13,059,136)	(596,027)	0	(13,655,163)
Furniture, Fixtures, Equipment, and Vehicles	(14,010,570)	(813,117)	183,225	(14,640,462)
Infrastructure	(50,975,788)	(1,128,894)	186,185	(51,918,497)
Intangible Right to Use Leased Equipment	(448,892)	(83,360)	0	(532,252)
Total Accumulated Depreciation	(83,641,968)	(2,672,781)	369,410	(85,945,339)
Total Capital Assets Being Depreciated, Net	34,211,508	1,843,402	(1,227,270)	34,827,640
<i>Governmental Activities Capital Assets, Net</i>	<u>\$41,492,887</u>	<u>\$1,878,035</u>	<u>(\$1,227,270)</u>	<u>\$42,143,652</u>

Of the current year depreciation total of \$2,672,781, \$83,360 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, \$32,155 is recorded as general government, \$19,846 as security of persons and property-police, \$24,977 as security of persons and property-fire, \$5,894 as transportation, and \$488 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**  
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Within the governmental activities, depreciation expense was charged to functions as follows:

<b>Governmental Activities:</b>	
General Government	\$422,312
<i>Security of Persons and Property:</i>	
Police	156,844
Fire	106,906
Transportation	1,564,874
Community Environment	313,743
Leisure Time Services	108,102
<i>Governmental Activities Depreciation Expense</i>	<u>\$2,672,781</u>

The following table provides a summary of the changes in capital assets during 2023 for the business-type activities:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
<b>Business-Type Activities:</b>				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,923,669	\$0	\$0	\$1,923,669
Construction in Progress	2,917,973	13,643,531	0	16,561,504
Total Nondepreciable Capital Assets	4,841,642	13,643,531	0	18,485,173
<i>Depreciable Capital Assets:</i>				
Land Improvements	343,235	3,485	0	346,720
Buildings, Structures, and Improvements	5,937,080	27,879	0	5,964,959
Plant and Facilities	26,177,418	26,904	0	26,204,322
Furniture, Fixtures, Equipment, and Vehicles	4,456,072	214,313	(1,775)	4,668,610
Infrastructure	32,080,570	374,054	(199,992)	32,254,632
Intangible Right to Use Leased Equipment	6,621	0	0	6,621
Total Depreciable Capital Assets	69,000,996	646,635	(201,767)	69,445,864
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(299,328)	(3,622)	0	(302,950)
Buildings, Structures, and Improvements	(3,897,449)	(197,413)	0	(4,094,862)
Plant and Facilities	(16,259,383)	(507,376)	0	(16,766,759)
Furniture, Fixtures, Equipment, and Vehicles	(3,993,074)	(221,961)	1,775	(4,213,260)
Infrastructure	(16,318,746)	(641,027)	84,944	(16,874,829)
Intangible Right to Use Leased Equipment	(3,862)	(1,104)	0	(4,966)
Total Accumulated Depreciation	(40,771,842)	(1,572,503)	86,719	(42,257,626)
Total Capital Assets Being Depreciated, Net	28,229,154	(925,868)	(115,048)	27,188,238
<i>Business-Type Activities Capital Assets, Net</i>	\$33,070,796	\$12,717,663	(\$115,048)	\$45,673,411

Of the current year depreciation total of \$1,572,503, \$1,104 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**  
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**Note 7 – Long-Term Obligations**

The City’s long-term obligations activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
<b>Governmental Activities:</b>					
<i>General Obligation Refunding Bonds:</i>					
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	\$365,000	\$0	(\$135,000)	\$230,000	\$135,000
Term Bonds	2,040,000	0	0	2,040,000	0
Issuance Premium on Bonds	104,985	0	(5,574)	99,411	0
Total GO Refunding Bonds	2,509,985	0	(140,574)	2,369,411	135,000
<i>General Obligation Bonds:</i>					
Street Improvement Project (2016)					
\$3,000,000, 2.52%, 2016-2026	1,285,000	0	(310,000)	975,000	315,000
Issuance Premium on Bonds	40,870	0	(10,217)	30,653	0
Street Improvement Project (2017)					
\$1,490,000, 2.49%, 2017-2024	455,000	0	(225,000)	230,000	230,000
Issuance Premium on Bonds	16,777	0	(8,389)	8,388	0
Police Cruisers/Squad 2018 \$297,889,					
3.35%, 2018-2023	59,577	0	(59,577)	0	0
2019 General Obligation Bonds \$1,391,000,					
4.0%, 2019-2039	1,194,000	0	(75,000)	1,119,000	75,000
Issuance Premium on Bonds	95,574	0	(5,622)	89,952	0
<i>Various Purpose Bonds:</i>					
\$1,232,390, 1.80%, 2021-2026					
Land Acquisition Bonds	242,122	0	(58,920)	183,202	59,981
Vehicle and Equipment Acquisition Bonds	752,505	0	(183,122)	569,383	186,420
<i>Various Purpose Bonds:</i>					
\$2,655,000, 4.72%, 2024-2038					
Parking Lots Acquisition Bonds	0	409,000	0	409,000	74,000
Building Acquisition Bonds	0	306,800	0	306,800	14,600
Building Acquisition Bonds	0	306,800	0	306,800	14,600
Building Acquisition Bonds	0	306,800	0	306,800	14,600
Equipment Acquisition Bonds	0	507,000	0	507,000	41,000
Police Vehicles Acquisition Bonds	0	205,000	0	205,000	37,000
Total GO Bonds	4,141,425	2,041,400	(935,847)	5,246,978	1,062,201
OPWC Loans	0	200,000	0	200,000	10,000
<i>Other Long-Term Obligations:</i>					
Financed Purchases	181,576	0	(112,248)	69,328	22,341
Leases Payable	293,606	0	(68,785)	224,821	70,547
Total Leases	475,182	0	(181,033)	294,149	92,888
Compensated Absences	1,668,123	1,474,401	(1,453,232)	1,689,292	666,550

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
<i>Net Pension Liability:</i>					
OPERS	\$3,339,318	\$9,388,409	\$0	\$12,727,727	\$0
OP&F	15,276,414	9,710,624	0	24,987,038	0
Total Net Pension Liability	18,615,732	19,099,033	0	37,714,765	0
<i>Net OPEB Liability:</i>					
OP&F	2,680,188	0	(807,360)	1,872,828	0
OPERS	0	266,336	0	266,336	0
Total Net OPEB Liability	2,680,188	266,336	(807,360)	2,139,164	0
<i>Governmental Activities</i>					
<i>Long-Term Obligations</i>	\$30,090,635	\$23,081,170	(\$3,518,046)	\$49,653,759	\$1,966,639

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 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 remaining refunding bonds will be retired through the general fund, bus transit fund, police and fire pension funds, and safety capital fund. The final payment was made in 2023 on the sewer bonds, which were paid from the sewer fund.

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

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

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

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

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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Redemption Dates (December 1)	Principal Amount To Be Redeemed
2029	\$110,000
2030	115,000
2031	120,000

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

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

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

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

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

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

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

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

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

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

**General Obligation Bonds**

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

**City of Chillicothe**  
*Notes to the Basic Financial Statements*  
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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 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. The final payment was made in 2023.

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
2024	246,400
2025	250,835

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



**City of Chillicothe**  
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During 2023, the City issued \$2,655,000 of various purpose general obligation bonds for the purpose of paving and/or resurfacing parking lots (\$409,000), constructing, renovating, and/or improving a building (\$1,534,000) and vehicles and equipment for various departments (\$712,000). This bond will be retired through the general, street construction maintenance and repair, floodwall, parking, safety levy capital, and parks and recreation capital funds, and water and sewer enterprise funds using tax and available revenues.

Ohio Public Works Commission

During 2023, the City obtained a 0% interest loan from Ohio Public Works Commission for \$200,000 to pave various streets. This loan will require \$20,000 in principal payments per year through 2034.

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
<b>Business-Type Activities:</b>					
<i>General Obligation Refunding Bonds:</i>					
\$415,000, 3.00%, 2020-2041					
Serial Bonds	\$135,000	\$0	(\$135,000)	\$0	\$0
Issuance Premium on Bonds	17,344	0	(921)	16,423	0
Total GO Refunding Bonds	152,344	0	(135,921)	16,423	0
<i>General Obligation Bonds:</i>					
2019 Building Purchase Bond, 4.0%	686,000	0	(30,000)	656,000	30,000
Issuance Premium on Bonds	52,494	0	(3,088)	49,406	0
2023 VP Bonds – Building	0	306,800	0	306,800	14,600
2023 VP Bonds – Building	0	306,800	0	306,800	14,600
Total GO Bonds	738,494	613,600	(33,088)	1,319,006	59,200
<i>OWDA Loans:</i>					
OWDA Loan 10130	0	11,544,991	0	11,544,991	0
OWDA Loan 10130 Principal Forgiveness	0	50,000	(50,000)	0	0
Total OWDA	0	11,594,991	(50,000)	11,544,991	0
<i>Other Long-Term Obligations:</i>					
Leases Payable	2,257	0	(1,323)	934	934
Compensated Absences	643,223	377,137	(364,653)	655,707	311,835
<i>Net Pension Liability-OPERS:</i>					
Water	705,490	2,162,730	0	2,868,220	0
Sewer	658,457	1,671,972	0	2,330,429	0
Total Net Pension Liability-OPERS	1,363,947	3,834,702	0	5,198,649	0
<i>Net Pension Liability-OPEB:</i>					
Water	0	60,019	0	60,019	0
Sewer	0	48,766	0	48,766	0
Total Net Pension Liability-OPEB	0	108,785	0	108,785	0
<i>Business-Type Activities</i>					
<i>Long-Term Obligations</i>	\$2,900,265	\$16,529,215	(\$584,985)	\$18,844,495	\$371,969

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.

**City of Chillicothe**  
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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.

Ohio Water Development Authority

During 2023, the City obtained a 0% interest loan from Ohio Water Development Authority for \$11,594,991 to make improvements to the waste water treatment plant. \$50,000 of this loan was repaid with principal forgiveness. An amortization schedule is not yet available for this loan.

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.

Debt service requirements are as follows:

For year ended December 31	2020 G.O. Refunding Bonds		2016 Street Improvement	
	Governmental Activities		Project G.O. Bonds	
	Principal	Interest	Principal	Interest
2024	\$135,000	\$68,100	\$315,000	27,675
2025	95,000	64,050	325,000	19,800
2026	100,000	61,200	335,000	10,050
2027	100,000	58,200	0	0
2028	110,000	55,200	0	0
2029-2033	590,000	225,150	0	0
2034-2038	675,000	132,000	0	0
2039-2041	465,000	28,200	0	0
Total	\$2,270,000	\$692,100	\$975,000	\$57,525

For year ended December 31	2019 G.O. Bonds		2017 Street Improvement		OPWC Principal
	Governmental Activities		Project G.O. Bonds		
	Principal	Interest	Principal	Interest	
2024	\$75,000	\$44,760	\$230,000	\$6,900	\$10,000
2025	53,000	41,760	0	0	20,000
2026	53,000	39,640	0	0	20,000
2027	56,000	37,520	0	0	20,000
2028	59,000	35,280	0	0	20,000
2029-2033	322,000	139,800	0	0	100,000
2034-2038	410,000	68,600	0	0	10,000
2039	91,000	3,640	0	0	0
Total	\$1,119,000	\$411,000	\$230,000	\$6,900	\$200,000

**City of Chillicothe**  
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For year ended December 31	2021 V.P. Bonds Land Acquisition		2021 V.P. Bonds Vehicles and Equipment Acquisition	
	Principal	Interest	Principal	Interest
	2024	\$59,981	\$3,298	\$186,420
2025	61,061	2,218	189,773	6,894
2026	62,160	1,119	193,190	3,477
<b>Total</b>	<b>\$183,202</b>	<b>\$6,635</b>	<b>\$569,383</b>	<b>\$20,619</b>

For year ended December 31	2019 G.O. Bonds Sewer		2019 G.O. Bonds Water	
	Principal	Interest	Principal	Interest
2024	\$15,000	\$13,120	\$15,000	\$13,120
2025	16,000	12,520	16,000	12,520
2026	16,000	11,880	16,000	11,880
2027	17,000	11,240	17,000	11,240
2028	18,000	10,560	18,000	10,560
2029-2033	99,000	41,600	99,000	41,600
2034-2038	120,000	20,200	120,000	20,200
2039	27,000	1,080	27,000	1,080
<b>Total</b>	<b>\$328,000</b>	<b>\$122,200</b>	<b>\$328,000</b>	<b>\$122,200</b>

For year ended December 31	2023 V.P. Bonds Parking Lot, Building, Equipment		2023 V.P. Bonds Building Water/Sewer	
	Principal	Interest	Principal	Interest
	2024	\$195,800	\$96,621	\$29,200
2025	205,600	87,113	30,400	27,584
2026	216,000	77,407	32,000	26,149
2027	224,800	67,214	33,200	24,638
2028	236,200	56,603	34,800	23,071
2029-2033	583,200	174,818	200,800	89,076
2034-2038	379,800	55,451	253,200	36,961
<b>Total</b>	<b>\$2,041,400</b>	<b>\$615,227</b>	<b>\$613,600</b>	<b>\$256,521</b>

**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, 2023, the hospital revenue refunding bonds aggregated principal amount payable was \$139,560,000.

**City of Chillicothe**  
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**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 2023 fiscal year were as follows:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
<b>Governmental Activities:</b>					
Police Cruisers – 2019 – 3.25%	\$28,002	\$0	(\$28,002)	\$0	\$0
Police Radios – 2019 – 3.25%	62,640	0	(62,640)	0	0
CAD System – 2019 – 3.40%	90,934	0	(21,606)	69,328	22,341
<i>Governmental Activities</i>					
<i>Other Long-Term Obligations</i>	\$181,576	\$0	(\$112,248)	\$69,328	\$22,341

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. Final payments were made on the police cruisers and police radios financed purchases during 2023.

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.

Principal and interest components of the scheduled financed purchase agreement payments outstanding at December 31, 2023 are shown below.

For year ended December 31	CAD System	
	Principal	Interest
2024	\$22,341	\$2,357
2025	23,101	1,598
2026	23,886	812
Total	\$69,328	\$4,767

**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.

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

Year	Principal	Interest
2024	\$70,547	\$5,917
2024	70,684	4,079
2025	72,606	2,158
2026	10,984	39
Total	<u>\$224,821</u>	<u>\$12,193</u>

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
2024	\$934	\$25
Total	<u>\$934</u>	<u>\$25</u>

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**

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

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

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/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

**City of Chillicothe**  
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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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans 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):

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<b>Group A</b> Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 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. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

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	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 \$1,356,901 for 2023. Of this amount, \$206,836 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving



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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
	19.50 %	24.00 %
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 \$1,575,818 for 2023. Of this amount, \$248,191 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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	OPERS	OP&F	Total
<b>Proportion of the Net Pension Liability:</b>			
Current Measurement Date	0.060685%	0.2630483%	
Prior Measurement Date	0.054058%	0.2445235%	
Change in Proportionate Share	<u>0.006627%</u>	<u>0.0185248%</u>	
<b>Proportionate Share of the:</b>			
Net Pension Liability	\$17,926,376	\$24,987,038	\$42,913,414
Pension Expense	\$2,997,120	\$3,090,780	\$6,087,900

At December 31, 2023, 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	\$595,440	\$374,788	\$970,228
Changes of assumptions	189,380	2,253,751	2,443,131
Net difference between projected and actual earnings on pension plan investments	5,109,581	3,637,808	8,747,389
Changes in proportion and differences between City contributions and proportionate share of contributions	789,481	1,210,956	2,000,437
City contributions subsequent to the measurement date	<u>1,356,901</u>	<u>1,575,818</u>	<u>2,932,719</u>
Total Deferred Outflows of Resources	<u>\$8,040,783</u>	<u>\$9,053,121</u>	<u>\$17,093,904</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$0	\$569,278	\$569,278
Changes of assumptions	0	487,241	487,241
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>23,097</u>	<u>1,380,806</u>	<u>1,403,903</u>
Total Deferred Inflows of Resources	<u>\$23,097</u>	<u>\$2,437,325</u>	<u>\$2,460,422</u>

\$2,932,719 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension liability in 2024. 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:			
2024	\$1,218,662	\$401,444	\$1,620,106
2025	1,435,095	1,045,913	2,481,008
2026	1,504,000	1,282,002	2,786,002
2027	2,503,028	2,175,185	4,678,213
2028	0	135,434	135,434
Total	<u>\$6,660,785</u>	<u>\$5,039,978</u>	<u>\$11,700,763</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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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.

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

During 2022, 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

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expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

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, 2022, 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	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00%</u>	

**Discount Rate** – The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan 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:

	<u>1% Decrease (5.9%)</u>	<u>Current Discount Rate (6.9%)</u>	<u>1% Increase (7.9%)</u>
City's proportionate share of the net pension liability	\$26,853,113	\$17,926,376	\$10,500,932

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**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, are presented below:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
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

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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

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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, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.

\* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** – For 2022, 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

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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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$32,962,725	\$24,987,038	\$18,356,850

**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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

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Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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.



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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the 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; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

**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.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

*Funding Policy* – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5

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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 2023, 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required OPEB contribution was \$38,250 for 2023. Of this amount, \$6,364 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.05949400%	0.2630483%	
Prior Measurement Date	0.05321300%	0.2445235%	
Change in Proportionate Share	0.00628100%	0.0185248%	
Proportionate Share of the:			
Net OPEB Liability	\$375,121	\$1,872,828	2,247,949
OPEB Expense (Gain)	(800,506)	194,345	(606,161)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$111,760	\$111,760
Changes of assumptions	366,389	933,312	1,299,701
Net difference between projected and actual earnings on OPEB plan investments	745,002	160,634	905,636
Changes in proportion and differences between City contributions and proportionate share of contributions	3,063	287,764	290,827
City contributions subsequent to the measurement date	0	38,250	38,250
<b>Total Deferred Outflows of Resources</b>	<b>\$1,114,454</b>	<b>\$1,531,720</b>	<b>\$2,646,174</b>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$93,571	\$369,285	\$462,856
Changes of assumptions	30,148	1,531,822	1,561,970
Changes in proportion and differences between City contributions and proportionate share of contributions	11,056	216,284	227,340
<b>Total Deferred Inflows of Resources</b>	<b>\$134,775</b>	<b>\$2,117,391</b>	<b>\$2,252,166</b>

\$38,250 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as an addition to or reduction from the net OPEB liability to the net OPEB asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2024	\$117,627	\$13,344	\$130,971
2025	269,841	21,770	291,611
2026	232,316	(90,091)	142,225
2027	359,895	(56,509)	303,386
2028	0	(168,683)	(168,683)
Thereafter	0	(343,752)	(343,752)
<b>Total</b>	<b>\$979,679</b>	<b>(\$623,921)</b>	<b>\$355,758</b>

**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

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valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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.

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

During 2022, 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 contribution 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 15.6 percent for 2022.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future 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 asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
<b>Total</b>	<b>100.00 %</b>	

*Discount Rate* A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

*Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate* The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$1,276,741	\$375,121	(\$368,863)

*Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate* – Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB 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 2023 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

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wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$351,610	\$375,121	\$401,585

**Actuarial Assumptions – OP&F**

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 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, 2022, with actuarial liabilities rolled forward to December 31, 2022
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	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2021.

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, 2022, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.  
 \* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and 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 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	<u>1% Decrease (3.27%)</u>	<u>Current Discount Rate (4.27%)</u>	<u>1% Increase (5.27%)</u>
City's proportionate share of the net OPEB liability	\$2,306,211	\$1,872,828	\$1,506,940



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**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 2023 tax collections were based follows:

<u>Property Tax Classification</u>	<u>Assessed Value</u>
Real Property	\$506,022,170
Public Utility Property	43,041,130
Total	<u>\$549,063,300</u>

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

In 2023, real property taxes were levied on January 1, 2023, on assessed values as of January 1, 2022, the lien date. Real estate taxes were due and payable on February 26 and July 9, 2023.

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, 2023.

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

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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 2023 that were subject to the City's abatement program for the year ended December 31, 2023 was \$86,821.

**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 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 2023, these municipal income taxes generated a combined total of \$18,699,726 in local income tax revenue.

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**Note 17 – Interfund Activity**

A summary of interfund transfers for 2023 are as follows:

	Transfers In	Transfers Out
<i>Major Governmental Fund:</i>		
General Fund	\$0	\$1,809,569
Street Construction Maintenance and Repair	200,000	0
 <i>Nonmajor Governmental Funds:</i>		
Parking Fund	188,083	0
Police Pension Fund	588,454	0
Fire Pension Fund	816,782	0
<i>Total Nonmajor Governmental Funds</i>	1,593,319	0
 <i>Major Enterprise Fund:</i>		
Sewer Fund	16,250	0
<i>Total</i>	\$1,809,569	\$1,809,569

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

In 2023, 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.

As of December 31, 2023, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivables	Interfund Payables
<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.

**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.

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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.

**Note 19 – 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 in prior years.

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**Note 20 – Fund Balances**

As of December 31, 2023 fund balances are composed of the following:

	General	Street Construction	ARPA	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>						
Prepaid Items	\$441,924	\$15,153	\$0	\$61,575	\$68,516	\$587,168
Materials and Supplies	75,172	37,464	0	32,004	44	144,684
Unclaimed Monies	150,232	0	0	0	0	150,232
Carlisle Hill Trust	0	0	0	0	1,000	1,000
<i>Total Nonspendable</i>	<i>667,328</i>	<i>52,617</i>	<i>0</i>	<i>93,579</i>	<i>69,560</i>	<i>883,084</i>
<i>Restricted:</i>						
Bus Transit	0	0	0	5,174,466	0	5,174,466
Street Construction	0	2,017,672	0	0	0	2,017,672
State Highway	0	0	0	0	35,828	35,828
Parks and Recreation	0	0	0	0	139,808	139,808
State Grants	0	0	0	0	312,935	312,935
Law Enforcement	0	0	0	0	29,681	29,681
Indigent Drivers	0	0	0	0	355,991	355,991
HUD	0	0	0	0	980	980
OMVI	0	0	0	0	28,983	28,983
One Ohio Opioid	0	0	0	0	120,831	120,831
Mandatory Drug Fines	0	0	0	0	11,601	11,601
Parking	0	0	0	0	96,974	96,974
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	1,142,817	1,142,817
Parks and Rec Capital	0	0	0	0	291,606	291,606
Carlisle Hill Trust	0	0	0	0	2,378	2,378
<i>Total Restricted</i>	<i>0</i>	<i>2,017,672</i>	<i>0</i>	<i>5,174,466</i>	<i>2,820,785</i>	<i>10,012,923</i>
<i>Committed:</i>						
Floodwall	46,883	0	0	0	0	46,883
Streetscape	19,550	0	0	0	0	19,550
<i>Total Committed</i>	<i>66,433</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>66,433</i>
<i>Assigned:</i>						
Landfill Closure	28,594	0	0	0	0	28,594
Future Purchases for General Government Purposes	641,390	0	0	0	0	641,390
Subsequent Budget Deficit	1,794,997	0	0	0	0	1,794,997
Cablevision	0	0	0	0	5,765	5,765
<i>Total Assigned</i>	<i>2,464,981</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,765</i>	<i>2,470,746</i>
<i>Unassigned (Deficit)</i>	<i>5,792,966</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(66,601)</i>	<i>5,726,365</i>
<b>Total Balances</b>	<b>\$8,991,708</b>	<b>\$2,070,289</b>	<b>\$0</b>	<b>\$5,268,045</b>	<b>\$2,829,509</b>	<b>\$19,159,551</b>

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**Note 21 – Significant Commitments**

**Encumbrances**

As of December 31, 2023, the City had significant encumbrance commitments in the governmental funds as follows:

<i>Major Governmental Funds:</i>	
General	\$140,692
Street Construction Maintenance and Repair	176,493
Bus Transit	10,000
<i>Nonmajor Governmental Fund:</i>	
Safety Levy Capital	553,850
<i>Total Nonmajor Governmental Fund</i>	<u>553,850</u>
<i>Major Enterprise Funds:</i>	
Water	224,017
Sewer	486,421
<i>Total</i>	<u>\$1,591,473</u>

**Note 22 - 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.

**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 \$132,939,762. Other property insurance includes \$348,250 unscheduled and \$3,575,875 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$131,560,222. Insurance deductibles on any of the above coverage do not exceed \$10,000.

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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 \$2,000,000.

The City participates in the workers' compensation program provided by the State of Ohio. The City utilizes Sedgwick 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, 2023 (most recent information available), the claims liability of \$768,226 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
2023	\$747,103	\$5,098,014	\$5,076,891	\$768,226
2022	788,689	3,522,781	3,564,367	747,103

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. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines

For 2023, the City provided \$200,000 of its COVID funds to another organization as a beneficiary. No funds were 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

**City of Chillicothe**  
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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 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 – New Accounting Pronouncements**

For fiscal year 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, Statement No. 96, “Subscription-Based Information Technology Arrangements”, and Statement No. 99, “Omnibus 2022”.

GASB Statement No. 94 provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB’s existing literature for those transactions, namely Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases. The Statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for APAs.



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GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, “Leases”. It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor’s IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

GASB Statement No. 99 sets out to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

These changes were considered in the preparation of the City’s 2023 financial statements; however, there was no effect on beginning net position/fund balance nor was note disclosure presentation required.

**Note 28 – Accountability**

At December 31, 2023, the police pension, fire pension, and ARPA violent crimes grant funds had deficit fund balances of \$15,951, \$19,862, and \$19,947, respectively, which were created by the application of accounting principles generally accepted in the United States of America. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Note 29 – Subsequent Event**

On May 6, 2024, the City was awarded an Appalachian Community Grant in the amount of \$35,362,990 to be used for various community improvements.

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

	2014	2015	2016
<b><i>Ohio Public Employees Retirement System</i></b>			
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%
<b><i>Ohio Police and Fire Pension Fund - Police</i></b>			
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%
<b><i>Ohio Police and Fire Pension Fund - Fire</i></b>			
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	2023
0.0567200%	0.0571490%	0.0583450%	0.0576740%	0.0538230%	0.0540580%	0.0606850%
\$12,880,147	\$8,965,570	\$15,979,513	\$11,399,658	\$7,970,014	\$4,703,265	\$17,926,376
\$7,420,000	\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050
173.59%	112.30%	188.78%	132.44%	97.60%	56.66%	179.28%
77.25%	84.66%	74.70%	82.17%	86.88%	92.62%	75.74%
0.1203590%	0.1232690%	0.1248110%	0.1291656%	0.1105259%	0.1001415%	0.1095599%
\$7,623,417	\$7,565,604	\$10,187,876	\$8,701,285	\$7,534,652	\$6,256,262	\$10,407,128
\$2,783,882	\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815
273.84%	252.69%	325.48%	263.48%	247.74%	218.17%	299.67%
68.36%	70.91%	63.07%	69.89%	70.65%	75.03%	62.90%
0.1476240%	0.1519330%	0.1530560%	0.1528324%	0.1490313%	0.1443820%	0.1534884%
\$9,350,346	\$9,324,792	\$12,493,414	\$10,295,608	\$10,159,597	\$9,020,152	\$14,579,910
\$2,763,179	\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296
338.39%	311.12%	399.80%	315.42%	302.63%	270.15%	370.02%
68.36%	70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

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

	2017	2018	2019
<b>Ohio Public Employees Retirement System</b>			
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%
<b>Ohio Police and Fire Pension Fund - Police</b>			
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%
<b>Ohio Police and Fire Pension Fund - Fire</b>			
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	2023
0.0570120%	0.0529060%	0.0532130%	0.0594940%
\$7,874,838	(\$942,563)	(\$1,666,713)	\$375,121
\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050
91.49%	-11.54%	-20.08%	3.75%
47.80%	115.57%	128.23%	128.23%
0.1291656%	0.1105259%	0.1001415%	0.1095599%
\$1,275,863	\$1,171,040	\$1,097,637	\$780,035
\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815
38.63%	38.50%	38.28%	22.46%
41.62%	45.42%	46.86%	52.59%
0.1528324%	0.1490313%	0.1443820%	0.1534884%
\$1,509,637	\$1,579,011	\$1,582,551	\$1,092,793
\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296
46.25%	47.03%	47.40%	27.73%
41.62%	45.42%	46.86%	52.59%

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

	2014	2015	2016
<b>Ohio Public Employees Retirement System</b>			
Contractually required contribution - pension	\$917,509	\$885,495	\$890,400
Contractually required contribution - OPEB	152,918	147,582	148,400
Contractually required contribution - total	<u>1,070,427</u>	<u>1,033,077</u>	<u>1,038,800</u>
Contributions in relation to the contractually required contribution	<u>1,070,427</u>	<u>1,033,077</u>	<u>1,038,800</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$7,645,907	\$7,379,121	\$7,420,000
Contributions as a percentage of covered payroll - pension	12.00%	12.00%	12.00%
Contributions as a percentage of covered payroll - OPEB	2.00%	2.00%	2.00%
Contributions as a percentage of covered payroll - total	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Ohio Police and Fire Pension Fund - Police</b>			
Contractually required contribution - pension	\$466,424	\$483,411	\$528,938
Contractually required contribution - OPEB	12,274	12,721	13,919
Contractually required contribution - total	<u>478,698</u>	<u>496,132</u>	<u>542,857</u>
Contributions in relation to the contractually required contribution	<u>478,698</u>	<u>496,132</u>	<u>542,857</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$2,454,862	\$2,544,267	\$2,783,882
Contributions as a percentage of covered payroll - pension	19.00%	19.00%	19.00%
Contributions as a percentage of covered payroll - OPEB	0.50%	0.50%	0.50%
Contributions as a percentage of covered payroll - total	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>
<b>Ohio Police and Fire Pension Fund - Fire</b>			
Contractually required contribution - pension	\$590,119	\$607,083	\$649,347
Contractually required contribution - OPEB	12,556	12,917	13,816
Contractually required contribution - total	<u>602,675</u>	<u>620,000</u>	<u>663,163</u>
Contributions in relation to the contractually required contribution	<u>602,675</u>	<u>620,000</u>	<u>663,163</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$2,511,146	\$2,583,333	\$2,763,179
Contributions as a percentage of covered payroll - pension	23.50%	23.50%	23.50%
Contributions as a percentage of covered payroll - OPEB	0.50%	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.

2017	2018	2019	2020	2021	2022	2023
\$1,037,868	\$1,185,030	\$1,205,016	\$1,143,266	\$1,162,058	\$1,399,867	\$1,356,901
79,836	0	0	0	0	0	0
1,117,704	1,185,030	1,205,016	1,143,266	1,162,058	1,399,867	1,356,901
1,117,704	1,185,030	1,205,016	1,143,266	1,162,058	1,399,867	1,356,901
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050	\$9,692,150
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$568,869	\$594,719	\$627,468	\$577,849	\$544,848	\$659,835	\$694,656
14,970	15,651	16,512	15,207	14,338	17,364	18,945
583,839	610,370	643,980	593,056	559,186	677,199	713,601
583,839	610,370	643,980	593,056	559,186	677,199	713,601
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815	\$3,659,492
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%
\$704,329	\$734,363	\$767,074	\$788,926	\$784,649	\$925,970	\$881,162
14,986	15,625	16,321	16,786	16,695	19,701	19,305
719,315	749,988	783,395	805,712	801,344	945,671	900,467
719,315	749,988	783,395	805,712	801,344	945,671	900,467
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296	\$3,751,946
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.

There were no significant changes in benefit terms for 2023.

Changes in assumptions

There were no significant changes in assumptions for 2015 through 2018.

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.

There were no significant changes in assumptions for 2023.

**OPEB**

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2023.

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:



**City of Chillicothe**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2023*

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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.

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.

For 2023, 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 6.00 percent to 5.22 percent.  
The municipal bond rate increased from 1.84 percent to 4.05 percent

**Note 2 – Ohio Police and Fire Pension Fund**

**Pension**

**Changes in Assumptions**

For amounts reported beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP2021 Improvement Scale.

**City of Chillicothe**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2023*

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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

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.

**City of Chillicothe**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2023*

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**OPEB**

Changes in Assumptions

<i>Single Discount Rate:</i>	
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- The depletion year of OPEB assets is projected in year 2036.
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

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 2023.

**City of Chillicothe, Ohio**  
*Governmental Fund Descriptions*

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**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)*

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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.

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.

ARPA Violent Crimes Fund

To account 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.

**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)*

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**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.

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**City of Chillicothe**  
*Combining Balance Sheet*  
**Nonmajor Governmental Funds**  
*As of December 31, 2023*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,051,035	\$232,332	\$1,639,655	\$3,378	\$3,926,400
Cash and Cash Equivalents in Segregated Accounts	1,118	0	0	0	1,118
Materials and Supplies Inventory	44	0	0	0	44
Accounts Receivable	2,800	0	0	0	2,800
Intergovernmental Receivable	113,335	0	275,000	0	388,335
Prepaid Items	66,882	0	1,634	0	68,516
Income Taxes Receivable	115,081	0	191,801	0	306,882
Property Taxes Receivable	321,784	0	0	0	321,784
<i>Total Assets</i>	<u>\$2,672,079</u>	<u>\$232,332</u>	<u>\$2,108,090</u>	<u>\$3,378</u>	<u>\$5,015,879</u>
<b>Liabilities:</b>					
Accounts Payable	\$37,022	\$0	\$31,713	\$0	\$68,735
Accrued Wages and Benefits Payable	42,758	0	0	0	42,758
Contracts Payable	0	0	9,978	0	9,978
Intergovernmental Payable	198,435	0	0	0	198,435
Interfund Payable	0	0	250,000	0	250,000
Unearned Revenue	817,529	0	0	0	817,529
<i>Total Liabilities</i>	<u>1,095,744</u>	<u>0</u>	<u>291,691</u>	<u>0</u>	<u>1,387,435</u>
<b>Deferred Inflows of Resources:</b>					
Property Taxes not Levied to Finance Current Year Operations	290,038	0	0	0	290,038
<i>Unavailable Revenue:</i>					
Property Taxes	23,896	0	0	0	23,896
Income Taxes	52,382	0	87,302	0	139,684
Grants and Entitlements	70,317	0	275,000	0	345,317
<i>Total Unavailable Revenue</i>	<u>146,595</u>	<u>0</u>	<u>362,302</u>	<u>0</u>	<u>508,897</u>
<i>Total Deferred Inflows of Resources</i>	<u>436,633</u>	<u>0</u>	<u>362,302</u>	<u>0</u>	<u>798,935</u>
<b>Fund Balances:</b>					
Nonspendable	66,926	0	1,634	1,000	69,560
Restricted	1,133,612	232,332	1,452,463	2,378	2,820,785
Assigned	5,765	0	0	0	5,765
Unassigned (Deficit)	(66,601)	0	0	0	(66,601)
<i>Total Fund Balances</i>	<u>1,139,702</u>	<u>232,332</u>	<u>1,454,097</u>	<u>3,378</u>	<u>2,829,509</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$2,672,079</u>	<u>\$232,332</u>	<u>\$2,108,090</u>	<u>\$3,378</u>	<u>\$5,015,879</u>



**City of Chillicothe**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2023*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$296,468	\$0	\$0	\$0	\$296,468
Income Taxes	701,961	0	1,167,083	0	1,869,044
Charges for Services	212,987	0	0	0	212,987
Fines, Licenses, and Permits	36,905	0	0	0	36,905
Intergovernmental	1,274,145	0	920,205	0	2,194,350
Interest	157	0	227	0	384
Contributions and Donations	200	0	225	0	425
Other	75,631	0	0	0	75,631
<i>Total Revenues</i>	<u>2,598,454</u>	<u>0</u>	<u>2,087,740</u>	<u>0</u>	<u>4,686,194</u>
<b>Expenditures:</b>					
Current:					
General Government	46,338	0	0	0	46,338
<i>Security of Persons and Property:</i>					
Police	1,550,121	0	118,517	0	1,668,638
Fire	899,240	0	65,677	0	964,917
Leisure Time Services	914,499	0	272,388	0	1,186,887
Community Environment	135,000	0	0	0	135,000
Transportation	280,733	0	0	0	280,733
Capital Outlay	122,378	0	1,901,267	0	2,023,645
Debt Service:					
Principal	85,112	0	305,663	0	390,775
Interest	5,781	0	35,451	0	41,232
Issuance Costs	0	0	11,800	0	11,800
<i>Total Expenditures</i>	<u>4,039,202</u>	<u>0</u>	<u>2,710,763</u>	<u>0</u>	<u>6,749,965</u>
<i>Excess of Revenues Under Expenditures</i>	(1,440,748)	0	(623,023)	0	(2,063,771)
<b>Other Financing Sources</b>					
Transfers In	1,593,319	0	0	0	1,593,319
General Obligation Bonds Issued	0	0	511,800	0	511,800
Proceeds from OPWC Loans	0	0	200,000	0	200,000
<i>Total Other Financing Sources</i>	<u>1,593,319</u>	<u>0</u>	<u>711,800</u>	<u>0</u>	<u>2,305,119</u>
<i>Net Change in Fund Balances</i>	152,571	0	88,777	0	241,348
<i>Fund Balances at Beginning of Year</i>	987,131	232,332	1,365,320	3,378	2,588,161
<i>Fund Balances at End of Year</i>	<u>\$1,139,702</u>	<u>\$232,332</u>	<u>\$1,454,097</u>	<u>\$3,378</u>	<u>\$2,829,509</u>

**City of Chillicothe**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*As of December 31, 2023*

	State Highway	Parks and Recreation	HUD	Grants	Cablevision	Law Enforcement
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$18,148	\$124,883	\$980	\$290,033	\$5,765	\$28,400
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	0
Materials and Supplies Inventory	0	44	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	53,040	244	0	40,833	0	2,121
Prepaid Items	0	27,745	0	0	0	25,786
Income Taxes Receivable	0	115,081	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$71,188</u>	<u>\$267,997</u>	<u>\$980</u>	<u>\$330,866</u>	<u>\$5,765</u>	<u>\$56,307</u>
<b>Liabilities:</b>						
Accounts Payable	\$0	\$27,462	\$0	\$0	\$0	\$840
Accrued Wages and Benefits Payable	0	12,817	0	0	0	0
Intergovernmental Payable	0	7,739	0	0	0	0
Unearned Revenue	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>48,018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>840</u>
<b>Deferred Inflows of Resources:</b>						
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	52,382	0	0	0	0
Grants and Entitlements	35,360	0	0	17,931	0	0
<i>Total Unavailable Revenue</i>	<u>35,360</u>	<u>52,382</u>	<u>0</u>	<u>17,931</u>	<u>0</u>	<u>0</u>
<i>Total Deferred Inflows of Resources</i>	<u>35,360</u>	<u>52,382</u>	<u>0</u>	<u>17,931</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>						
Nonspendable	0	27,789	0	0	0	25,786
Restricted	35,828	139,808	980	312,935	0	29,681
Assigned	0	0	0	0	5,765	0
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances</i>	<u>35,828</u>	<u>167,597</u>	<u>980</u>	<u>312,935</u>	<u>5,765</u>	<u>55,467</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$71,188</u>	<u>\$267,997</u>	<u>\$980</u>	<u>\$330,866</u>	<u>\$5,765</u>	<u>\$56,307</u>

Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	One Ohio Opioid	ARPA Violent Crimes Grant	Total Nonmajor Special Revenue Funds
\$354,948	\$28,919	\$11,590	\$109,011	\$54,998	\$84,999	\$120,831	\$817,530	\$2,051,035
1,043	64	11	0	0	0	0	0	1,118
0	0	0	0	0	0	0	0	44
0	0	0	2,800	0	0	0	0	2,800
0	0	0	71	8,513	8,513	0	0	113,335
0	0	0	2,510	0	0	0	10,841	66,882
0	0	0	0	0	0	0	0	115,081
0	0	0	0	160,892	160,892	0	0	321,784
<u>\$355,991</u>	<u>\$28,983</u>	<u>\$11,601</u>	<u>\$114,392</u>	<u>\$224,403</u>	<u>\$254,404</u>	<u>\$120,831</u>	<u>\$828,371</u>	<u>\$2,672,079</u>
\$0	\$0	\$0	\$8,720	\$0	\$0	\$0	\$0	\$37,022
0	0	0	3,954	0	0	0	25,987	42,758
0	0	0	2,234	74,874	108,786	0	4,802	198,435
0	0	0	0	0	0	0	817,529	817,529
0	0	0	14,908	74,874	108,786	0	848,318	1,095,744
0	0	0	0	145,019	145,019	0	0	290,038
0	0	0	0	11,948	11,948	0	0	23,896
0	0	0	0	0	0	0	0	52,382
0	0	0	0	8,513	8,513	0	0	70,317
0	0	0	0	20,461	20,461	0	0	146,595
0	0	0	0	165,480	165,480	0	0	436,633
0	0	0	2,510	0	0	0	10,841	66,926
355,991	28,983	11,601	96,974	0	0	120,831	0	1,133,612
0	0	0	0	0	0	0	0	5,765
0	0	0	0	(15,951)	(19,862)	0	(30,788)	(66,601)
<u>355,991</u>	<u>28,983</u>	<u>11,601</u>	<u>99,484</u>	<u>(15,951)</u>	<u>(19,862)</u>	<u>120,831</u>	<u>(19,947)</u>	<u>1,139,702</u>
<u>\$355,991</u>	<u>\$28,983</u>	<u>\$11,601</u>	<u>\$114,392</u>	<u>\$224,403</u>	<u>\$254,404</u>	<u>\$120,831</u>	<u>\$828,371</u>	<u>\$2,672,079</u>

**City of Chillicothe**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2023*

	State Highway	Parks and Recreation	HUD	Grants	Cablevision	Law Enforcement
<b>Revenues:</b>						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	701,961	0	0	0	0
Charges for Services	0	114,547	0	0	0	0
Fines, Licenses, and Permits	0	0	0	0	0	0
Intergovernmental	107,484	0	135,000	96,028	0	7,478
Interest	0	136	21	0	0	0
Contributions and Donations	0	200	0	0	0	0
Other	0	7,426	0	0	0	0
<i>Total Revenues</i>	<u>107,484</u>	<u>824,270</u>	<u>135,021</u>	<u>96,028</u>	<u>0</u>	<u>7,478</u>
<b>Expenditures:</b>						
Current:						
General Government	0	0	0	46,338	0	0
<i>Security of Persons and Property:</i>						
Police	0	0	0	0	0	16,423
Fire	0	0	0	0	0	0
Leisure Time Services	0	914,499	0	0	0	0
Community Environment	0	0	135,000	0	0	0
Transportation	0	0	0	0	0	0
Capital Outlay	122,378	0	0	0	0	0
Debt Service:						
Principal	20,652	0	0	0	0	0
Interest	1,652	0	0	0	0	0
<i>Total Expenditures</i>	<u>144,682</u>	<u>914,499</u>	<u>135,000</u>	<u>46,338</u>	<u>0</u>	<u>16,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(37,198)	(90,229)	21	49,690	0	(8,945)
<b>Other Financing Sources</b>						
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>	(37,198)	(90,229)	21	49,690	0	(8,945)
<i>Fund Balances at Beginning 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>
<i>Fund Balances at End of Year</i>	<u>\$35,828</u>	<u>\$167,597</u>	<u>\$980</u>	<u>\$312,935</u>	<u>\$5,765</u>	<u>\$55,467</u>

Indigent Driver's Alcohol Treatment	OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	One Ohio Opioid	ARPA Violent Crimes Grant	Totad Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$148,234	\$148,234	\$0	\$0	\$296,468
0	0	0	0	0	0	0	0	701,961
0	0	0	98,440	0	0	0	0	212,987
21,700	1,614	540	13,051	0	0	0	0	36,905
0	0	0	0	17,026	17,026	120,831	773,272	1,274,145
0	0	0	0	0	0	0	0	157
0	0	0	0	0	0	0	0	200
0	0	0	68,205	0	0	0	0	75,631
21,700	1,614	540	179,696	165,260	165,260	120,831	773,272	2,598,454
0	0	0	0	0	0	0	0	46,338
0	0	0	0	713,451	0	26,936	793,311	1,550,121
0	0	0	0	0	899,240	0	0	899,240
0	0	0	0	0	0	0	0	914,499
0	0	0	0	0	0	0	0	135,000
0	0	0	280,733	0	0	0	0	280,733
0	0	0	0	0	0	0	0	122,378
0	0	0	29,460	7,910	27,090	0	0	85,112
0	0	0	2,179	441	1,509	0	0	5,781
0	0	0	312,372	721,802	927,839	26,936	793,311	4,039,202
21,700	1,614	540	(132,676)	(556,542)	(762,579)	93,895	(20,039)	(1,440,748)
0	0	0	188,083	588,454	816,782	0	0	1,593,319
0	0	0	188,083	588,454	816,782	0	0	1,593,319
21,700	1,614	540	55,407	31,912	54,203	93,895	(20,039)	152,571
334,291	27,369	11,061	44,077	(47,863)	(74,065)	26,936	92	987,131
\$355,991	\$28,983	\$11,601	\$99,484	(\$15,951)	(\$19,862)	\$120,831	(\$19,947)	\$1,139,702

**City of Chillicothe**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*As of December 31, 2023*

	Capital Improvement	Issue II	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$18,040	\$0	\$1,088,027	\$533,588	\$1,639,655
Intergovernmental Receivable	0	0	0	275,000	275,000
Prepaid Items	0	0	1,634	0	1,634
Income Taxes Receivable	0	0	153,441	38,360	191,801
<i>Total Assets</i>	<u>\$18,040</u>	<u>\$0</u>	<u>\$1,243,102</u>	<u>\$846,948</u>	<u>\$2,108,090</u>
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$25,370	\$6,343	\$31,713
Contracts Payable	0	0	3,439	6,539	9,978
Interfund Payable	0	0	0	250,000	250,000
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>28,809</u>	<u>262,882</u>	<u>291,691</u>
<b>Deferred Inflows of Resources:</b>					
<i>Unavailable Revenue:</i>					
Income Taxes	0	0	69,842	17,460	87,302
Grants and Entitlements	0	0	0	275,000	275,000
<i>Total Unavailable Revenue</i>	<u>0</u>	<u>0</u>	<u>69,842</u>	<u>292,460</u>	<u>362,302</u>
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>69,842</u>	<u>292,460</u>	<u>362,302</u>
<b>Fund Balances:</b>					
Nonspendable	0	0	1,634	0	1,634
Restricted	18,040	0	1,142,817	291,606	1,452,463
<i>Total Fund Balances</i>	<u>18,040</u>	<u>0</u>	<u>1,144,451</u>	<u>291,606</u>	<u>1,454,097</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$18,040</u>	<u>\$0</u>	<u>\$1,243,102</u>	<u>\$846,948</u>	<u>\$2,108,090</u>

**City of Chillicothe**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2023*

	Capital Improvement	Issue II	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>					
Income Taxes	\$0	\$0	\$933,753	\$233,330	\$1,167,083
Intergovernmental	0	787,119	60,586	72,500	920,205
Interest	0	0	182	45	227
Contributions and Donations	0	0	0	225	225
<i>Total Revenues</i>	<u>0</u>	<u>787,119</u>	<u>994,521</u>	<u>306,100</u>	<u>2,087,740</u>
<b>Expenditures:</b>					
Current:					
<i>Security of Persons and Property:</i>					
Police	0	0	118,517	0	118,517
Fire	0	0	65,677	0	65,677
Leisure Time Services	0	0	0	272,388	272,388
Capital Outlay	0	987,119	750,165	163,983	1,901,267
Debt Service:					
Principal	0	0	267,987	37,676	305,663
Interest	0	0	15,824	19,627	35,451
Issuance Costs	0	0	5,000	6,800	11,800
<i>Total Expenditures</i>	<u>0</u>	<u>987,119</u>	<u>1,223,170</u>	<u>500,474</u>	<u>2,710,763</u>
<i>Excess of Revenues Under Expenditures</i>	0	(200,000)	(228,649)	(194,374)	(623,023)
<b>Other Financing Sources</b>					
General Obligation Bonds Issued	0	0	205,000	306,800	511,800
Proceeds from OPWC Loans	0	200,000	0	0	200,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>200,000</u>	<u>205,000</u>	<u>306,800</u>	<u>711,800</u>
<i>Net Change in Fund Balances</i>	0	0	(23,649)	112,426	88,777
<i>Fund Balances at Beginning of Year</i>	<u>18,040</u>	<u>0</u>	<u>1,168,100</u>	<u>179,180</u>	<u>1,365,320</u>
<i>Fund Balances at End of Year</i>	<u>\$18,040</u>	<u>\$0</u>	<u>\$1,144,451</u>	<u>\$291,606</u>	<u>\$1,454,097</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, 2023*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$1,264,536	\$1,216,144	\$1,216,144	\$0
Income Taxes	15,216,441	14,634,132	14,634,132	0
Other Local Taxes	472,383	454,306	454,306	0
Special Assessments	17,606	16,932	16,932	0
Charges for Services	3,817,117	3,671,042	3,673,133	2,091
Fines, Licenses, and Permits	1,723,319	1,657,370	1,657,370	0
Intergovernmental	1,860,570	1,789,369	1,326,473	(462,896)
Interest	404,696	389,209	389,209	0
Contributions and Donations	1,144	1,100	1,100	0
Other	54,528	52,441	52,441	0
<i>Total Revenues</i>	<u>24,832,340</u>	<u>23,882,045</u>	<u>23,421,240</u>	<u>(460,805)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Mayor				
Personal Services	120,987	153,728	139,549	14,179
Fringe Benefits	111,732	95,543	87,746	7,797
Travel Transportation	3,000	2,000	1,950	50
Contractual Services	148,600	217,113	204,672	12,441
Materials and Supplies	18,975	28,896	26,949	1,947
Other	1,050	2,875	468	2,407
<i>Total Mayor</i>	<u>404,344</u>	<u>500,155</u>	<u>461,334</u>	<u>38,821</u>
IT Technology				
Personal Services	66,911	104,443	100,095	4,348
Fringe Benefits	26,327	47,459	39,200	8,259
Travel Transportation	200	200	0	200
Contractual Services	50,600	70,300	25,023	45,277
Materials and Supplies	2,600	6,578	4,887	1,691
Other	750	750	336	414
<i>Total IT Technology</i>	<u>147,388</u>	<u>229,730</u>	<u>169,541</u>	<u>60,189</u>
City Council				
Personal Services	94,335	94,335	94,007	328
Fringe Benefits	188,457	188,457	138,312	50,145
Contractual Services	2,200	2,500	2,127	373
Materials and Supplies	700	400	179	221
<i>Total City Council</i>	<u>285,692</u>	<u>285,692</u>	<u>234,625</u>	<u>51,067</u>
Treasurer				
Personal Services	12,622	17,622	12,622	5,000
Fringe Benefits	40,392	40,392	30,026	10,366
Contractual Services	28,000	36,000	25,800	10,200
<i>Total Treasurer</i>	<u>81,014</u>	<u>94,014</u>	<u>68,448</u>	<u>25,566</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, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Income Tax Department</b>				
Personal Services	\$121,312	\$147,925	\$144,733	\$3,192
Fringe Benefits	76,257	72,467	63,285	9,182
Travel Transportation	950	0	0	0
Contractual Services	41,078	0	0	0
Materials and Supplies	2,500	1,857	1,857	0
Other	50	50	0	50
<i>Total Income Tax Department</i>	242,147	222,299	209,875	12,424
<b>Land and Buildings</b>				
Contractual Services	311,964	319,903	287,540	32,363
Materials and Supplies	20,100	43,723	27,939	15,784
<i>Total Land and Buildings</i>	332,064	363,626	315,479	48,147
<b>Law Director</b>				
Personal Services	453,657	456,270	444,262	12,008
Fringe Benefits	362,240	304,129	271,520	32,609
Contractual Services	65,775	77,375	67,474	9,901
Materials and Supplies	6,150	6,070	3,273	2,797
Other	550	550	21	529
<i>Total Law Director</i>	888,372	844,394	786,550	57,844
<b>Auditor</b>				
Personal Services	382,708	312,608	290,599	22,009
Fringe Benefits	216,801	185,840	156,975	28,865
Travel Transportation	2,500	1,105	1,105	0
Contractual Services	8,600	8,283	8,283	0
Materials and Supplies	3,600	7,926	7,700	226
Other	100	0	0	0
<i>Total Auditor</i>	614,309	515,762	464,662	51,100
<b>Municipal Court</b>				
Personal Services	1,364,742	1,382,420	1,351,161	31,259
Fringe Benefits	748,503	693,988	622,003	71,985
Travel Transportation	3,000	7,500	2,435	5,065
Contractual Services	464,752	474,660	222,422	252,238
Materials and Supplies	123,009	114,257	66,305	47,952
Other	1,700	1,850	105	1,745
<i>Total Municipal Court</i>	2,705,706	2,674,675	2,264,431	410,244

**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, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Victim Witness				
Personal Services	\$46,012	\$45,292	\$30,155	\$15,137
Fringe Benefits	6,853	6,853	5,390	1,463
<i>Total Victim Witness</i>	52,865	52,145	35,545	16,600
Civil Service				
Personal Services	116,817	116,517	103,676	12,841
Fringe Benefits	70,849	71,149	43,508	27,641
Travel Transportation	500	705	204	501
Contractual Services	35,250	42,918	31,973	10,945
Materials and Supplies	2,550	3,236	904	2,332
Other	200	250	0	250
<i>Total Civil Service</i>	226,166	234,775	180,265	54,510
JRIG				
Personal Services	53,449	58,429	54,405	4,024
Fringe Benefits	46,634	41,709	22,258	19,451
<i>Total JRIG</i>	100,083	100,138	76,663	23,475
Service Department				
Personal Services	128,212	129,862	120,414	9,448
Fringe Benefits	99,652	98,002	53,068	44,934
Travel Transportation	4,000	0	0	0
Contractual Services	10,650	403	403	0
Materials and Supplies	550	11,047	8,205	2,842
Other	8,436	764	357	407
<i>Total Service Department</i>	251,500	240,078	182,447	57,631
Engineering				
Personal Services	323,873	216,873	159,850	57,023
Fringe Benefits	188,425	132,556	85,054	47,502
Travel Transportation	500	266	266	0
Contractual Services	70,500	48,698	42,288	6,410
Materials and Supplies	9,650	0	0	0
Other	100	108	108	0
<i>Total Engineering</i>	593,048	398,501	287,566	110,935
Code Enforcement				
Travel Transportation	500	0	0	0
Contractual Services	15,700	125,577	125,408	169
Materials and Supplies	2,300	3,573	3,192	381
Other	250	0	0	0
<i>Total Code Enforcement</i>	18,750	129,150	128,600	550

**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, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Defense				
Other	\$6,350	\$8,350	\$8,350	\$0
<i>Total Civil Defense</i>	6,350	8,350	8,350	0
Miscellaneous				
Fringe Benefits	7,500	12,800	3,972	8,828
Travel Transportation	500	0	0	0
Contractual Services	610,500	911,712	753,331	158,381
Materials and Supplies	5,500	4,158	3,649	509
Other	20,000	22,370	21,793	577
<i>Total Miscellaneous</i>	644,000	951,040	782,745	168,295
Planning Commission				
Materials and Supplies	100	100	96	4
<i>Total Planning Commission</i>	100	100	96	4
<i>Total General Government</i>	7,593,898	7,844,624	6,657,222	1,187,402
<i>Security of Persons and Property</i>				
Police				
Personal Services	3,983,580	3,965,884	3,904,316	61,568
Fringe Benefits	2,384,937	1,540,615	1,360,945	179,670
Travel Transportation	1,000	1,110	1,107	3
Contractual Services	201,325	472,251	403,757	68,494
Materials and Supplies	175,500	193,546	150,399	43,147
Other	550	3,684	3,199	485
<i>Total Police</i>	6,746,892	6,177,090	5,823,723	353,367
Fire				
Personal Services	3,375,520	3,993,201	3,981,853	11,348
Fringe Benefits	2,324,633	1,347,054	1,191,270	155,784
Travel Transportation	1,200	1,450	1,296	154
Contractual Services	158,764	160,164	133,065	27,099
Materials and Supplies	221,400	245,488	217,666	27,822
Other	900	900	96	804
<i>Total Fire</i>	6,082,417	5,748,257	5,525,246	223,011
<i>Total Security of Persons and Property</i>	12,829,309	11,925,347	11,348,969	576,378

**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, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community Environment				
Design and Review				
Contractual Services	\$250	\$250	\$1	\$249
Materials and Supplies	25	150	124	26
Other	50	200	0	200
<i>Total Design and Review</i>	<u>325</u>	<u>600</u>	<u>125</u>	<u>475</u>
Economic Development				
Personal Services	180,341	124,752	83,553	41,199
Fringe Benefits	0	43,589	35,172	8,417
Travel Transportation	2,000	600	600	0
Contractual Services	170,000	169,906	19,669	150,237
Materials and Supplies	7,000	10,313	4,626	5,687
Other	0	635	635	0
<i>Total Economic Development</i>	<u>359,341</u>	<u>349,795</u>	<u>144,255</u>	<u>205,540</u>
<i>Total Community Environment</i>	<u>359,666</u>	<u>350,395</u>	<u>144,380</u>	<u>206,015</u>
Basic Utility Services				
Refuse				
Personal Services	421,954	441,188	432,063	9,125
Fringe Benefits	241,532	217,117	192,176	24,941
Contractual Services	435,000	440,380	363,020	77,360
Materials and Supplies	56,100	66,845	51,463	15,382
Other	41,281	0	0	0
<i>Total Refuse</i>	<u>1,195,867</u>	<u>1,165,530</u>	<u>1,038,722</u>	<u>126,808</u>
Recycling				
Personal Services	\$96,797	\$94,041	\$86,532	\$7,509
Fringe Benefits	46,495	56,116	55,867	249
Contractual Services	67,188	81,188	66,973	14,215
Materials and Supplies	19,500	22,590	16,235	6,355
Other	500	0	0	0
<i>Total Recycling</i>	<u>230,480</u>	<u>253,935</u>	<u>225,607</u>	<u>28,328</u>
<i>Total Basic Utility Services</i>	<u>1,426,347</u>	<u>1,419,465</u>	<u>1,264,329</u>	<u>155,136</u>
Transportation				
Streets and Sidewalks				
Contractual Services	310,000	310,000	267,175	42,825
<i>Total Streets and Sidewalks</i>	<u>310,000</u>	<u>310,000</u>	<u>267,175</u>	<u>42,825</u>
<i>Total Transportation</i>	<u>310,000</u>	<u>310,000</u>	<u>267,175</u>	<u>42,825</u>
Capital Outlay:				
Capital Outlay	1,669,261	1,430,186	932,905	497,281
<i>Total Capital Outlay</i>	<u>1,669,261</u>	<u>1,430,186</u>	<u>932,905</u>	<u>497,281</u>
Debt Service:				
Principal	0	221,455	221,455	0
Interest	0	69,335	69,335	0
Issuance Costs	0	15,800	15,800	0
<i>Total Debt Service</i>	<u>0</u>	<u>306,590</u>	<u>306,590</u>	<u>0</u>
<i>Total Expenditures</i>	<u>24,188,481</u>	<u>23,586,607</u>	<u>20,921,570</u>	<u>2,665,037</u>
<i>Excess of Revenues Over Expenditures</i>	643,859	295,438	2,499,670	2,204,232

**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, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$4,592,086	\$4,416,354	\$4,416,354	\$0
General Obligation Bonds Issued	744,283	715,800	715,800	0
Proceeds from Sale of Capital Assets	4,421	4,252	4,252	0
Insurance Recoveries	332,783	320,048	320,048	0
Transfers Out	(6,310,250)	(6,934,486)	(6,737,642)	196,844
<i>Total Other Financing Sources (Uses)</i>	<u>(636,677)</u>	<u>(1,478,032)</u>	<u>(1,281,188)</u>	<u>196,844</u>
<i>Net Change in Fund Balances</i>	7,182	(1,182,594)	1,218,482	2,401,076
<i>Fund Balances at Beginning of Year</i>	4,703,030	4,703,030	4,703,030	0
<i>Prior Year Encumbrances Appropriated</i>	831,699	831,699	831,699	0
<i>Fund Balances at End of Year</i>	<u>\$5,541,911</u>	<u>\$4,352,135</u>	<u>\$6,753,211</u>	<u>\$2,401,076</u>

**City of Chillicothe**  
*Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)*  
*Street Construction Maintenance and Repair Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Income Taxes	\$1,763,603	\$1,948,547	\$1,948,547	\$0
Intergovernmental	1,117,400	1,234,578	1,234,578	0
Interest	329	364	364	0
Other	86,355	95,411	95,411	0
<i>Total Revenues</i>	2,967,687	3,278,900	3,278,900	0
<b>Expenditures:</b>				
Current:				
Transportation				
Personal Services	694,666	655,515	553,122	102,393
Fringe Benefits	356,696	340,158	275,537	64,621
Contractual Services	933,894	454,740	429,168	25,572
Materials and Supplies	210,250	216,441	182,400	34,041
<i>Total Transportation</i>	2,195,506	1,666,854	1,440,227	226,627
Capital Outlay:				
Capital Outlay	2,389,000	2,817,640	2,050,368	767,272
<i>Total Capital Outlay</i>	2,389,000	2,817,640	2,050,368	767,272
Debt Service:				
Principal	0	564,730	564,730	0
Interest	0	61,210	61,210	0
Bond Issuance Costs	0	18,800	18,800	0
<i>Total Debt Service</i>	0	644,740	644,740	0
<i>Total Expenditures</i>	4,584,506	5,129,234	4,135,335	993,899
<i>Excess of Revenues Under Expenditures</i>	(1,616,819)	(1,850,334)	(856,435)	993,899
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,612,321	1,781,400	1,781,400	0
General Obligation Bonds Issued	736,559	813,800	813,800	0
Transfers Out	(1,626,400)	(1,667,394)	(1,634,400)	32,994
<i>Total Other Financing Sources (Uses)</i>	722,480	927,806	960,800	32,994
<i>Net Change in Fund Balances</i>	(894,339)	(922,528)	104,365	1,026,893
<i>Fund Balances at Beginning of Year</i>	1,626,873	1,626,873	1,626,873	0
<i>Prior Year Encumbrances Appropriated</i>	49,931	49,931	49,931	0
<i>Fund Balances at End of Year</i>	\$782,465	\$754,276	\$1,781,169	\$1,026,893

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
Current:				
Leisure Time Services				
Materials and Supplies	0	7,221	7,221	0
<i>Total Leisure Time Services</i>	0	7,221	7,221	0
Basic Utility Services				
Contractual Services	0	205,626	205,626	0
<i>Total Basic Utility Services</i>	0	205,626	205,626	0
Transportation				
Materials and Supplies	0	181,842	181,842	0
<i>Total Transportation</i>	0	181,842	181,842	0
Intergovernmental:				
Intergovernmental	0	200,000	200,000	0
<i>Total Intergovernmental</i>	0	200,000	200,000	0
Capital Outlay:				
Capital Outlay	0	351,544	79,617	271,927
<i>Total Capital Outlay</i>	0	351,544	79,617	271,927
<i>Total Expenditures</i>	0	946,233	674,306	271,927
<i>Excess of Revenues Under Expenditures</i>	0	(946,233)	(674,306)	271,927
<b>Other Financing Uses</b>				
Transfers Out	(2,000,000)	0	0	0
<i>Total Other Financing Uses</i>	(2,000,000)	0	0	0
<i>Net Change in Fund Balances</i>	(2,000,000)	(946,233)	(674,306)	271,927
<i>Fund Balances at Beginning of Year</i>	2,240,112	2,240,112	2,240,112	0
<i>Fund Balances at End of Year</i>	\$240,112	\$1,293,879	\$1,565,806	\$271,927

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$1,027,645	\$975,464	\$975,464	\$0
Charges for Services	3,918,249	3,719,293	3,719,293	0
Intergovernmental	2,910,195	2,762,425	2,762,425	0
Interest	192	182	182	0
Other	42,007	39,874	39,874	0
<i>Total Revenues</i>	<u>7,898,288</u>	<u>7,497,238</u>	<u>7,497,238</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal Services	1,931,152	1,915,830	1,655,709	260,121
Fringe Benefits	1,011,261	951,556	863,761	87,795
Travel Transportation	4,000	4,000	0	4,000
Contractual Services	4,603,613	4,477,565	3,751,167	726,398
Materials and Supplies	339,100	327,371	269,611	57,760
Other	2,400	2,400	137	2,263
<i>Total Transportation</i>	<u>7,891,526</u>	<u>7,678,722</u>	<u>6,540,385</u>	<u>1,138,337</u>
Capital Outlay:				
Capital Outlay	164,000	223,769	123,556	100,213
<i>Total Capital Outlay</i>	<u>164,000</u>	<u>223,769</u>	<u>123,556</u>	<u>100,213</u>
Debt Service:				
Principal	0	38,627	38,627	0
Interest	0	27,087	27,087	0
<i>Total Debt Service</i>	<u>0</u>	<u>65,714</u>	<u>65,714</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,055,526</u>	<u>7,968,205</u>	<u>6,729,655</u>	<u>1,238,550</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(157,238)	(470,967)	767,583	1,238,550
<b>Other Financing Sources (Uses)</b>				
Transfers In	790,026	749,911	749,911	0
Transfers Out	0	(797,257)	(764,263)	32,994
<i>Total Other Financing Sources (Uses)</i>	<u>790,026</u>	<u>(47,346)</u>	<u>(14,352)</u>	<u>32,994</u>
<i>Net Change in Fund Balances</i>	632,788	(518,313)	753,231	1,271,544
<i>Fund Balances at Beginning of Year</i>	4,401,341	4,401,341	4,401,341	0
<i>Prior Year Encumbrances Appropriated</i>	43,200	43,200	43,200	0
<i>Fund Balances at End of Year</i>	<u>\$5,077,329</u>	<u>\$3,926,228</u>	<u>\$5,197,772</u>	<u>\$1,271,544</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$103,000	\$107,629	\$107,629	\$0
<i>Total Revenues</i>	103,000	107,629	107,629	0
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	100,000	133,000	122,378	10,622
<i>Total Capital Outlay</i>	100,000	133,000	122,378	10,622
Debt Service:				
Principal	20,652	20,652	20,652	0
Interest	1,652	1,652	1,652	0
<i>Total Debt Service</i>	22,304	22,304	22,304	0
<i>Total Expenditures</i>	122,304	155,304	144,682	10,622
<i>Net Change in Fund Balances</i>	(19,304)	(47,675)	(37,053)	10,622
<i>Fund Balances at Beginning of Year</i>	55,201	55,201	55,201	0
<i>Fund Balances at End of Year</i>	\$35,897	\$7,526	\$18,148	\$10,622

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$671,749	\$732,272	\$732,272	\$0
Charges for Services	127,100	114,547	114,547	0
Interest	0	136	136	0
Contributions and Donations	2,000	200	200	0
Other	24,760	7,426	7,426	0
<i>Total Revenues</i>	825,609	854,581	854,581	0
<b>Expenditures:</b>				
Current:				
Leisure Time Services				
Parks and Recreation				
Personal Services	396,093	476,008	445,481	30,527
Fringe Benefits	239,962	213,259	192,848	20,411
Contractual Services	121,194	113,583	73,135	40,448
Materials and Supplies	74,250	83,882	71,624	12,258
Other	600	375	0	375
<i>Total Parks and Recreation</i>	832,099	887,107	783,088	104,019
Swimming Pool				
Personal Services	67,000	77,008	77,008	0
Fringe Benefits	14,000	14,781	13,527	1,254
Contractual Services	14,500	11,500	11,499	1
Materials and Supplies	45,700	48,594	48,564	30
Other	1,700	1,911	1,370	541
<i>Total Swimming Pool</i>	142,900	153,794	151,968	1,826
<i>Total Leisure Time Services</i>	974,999	1,040,901	935,056	105,845
<i>Total Expenditures</i>	974,999	1,040,901	935,056	105,845
<i>Net Change in Fund Balances</i>	(149,390)	(186,320)	(80,475)	105,845
<i>Fund Balances at Beginning of Year</i>	263,029	263,029	263,029	0
<i>Fund Balances at End of Year</i>	\$113,639	\$76,709	\$182,554	\$105,845

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$150,000	\$135,000	\$135,000	\$0
Interest	0	21	21	0
<i>Total Revenues</i>	150,000	135,021	135,021	0
<b>Expenditures:</b>				
Current:				
Community Environment				
Rehabilitation and Development				
Contractual Services	135,021	135,000	135,000	0
<i>Total Rehabilitation and Development</i>	135,021	135,000	135,000	0
<i>Total Community Environment</i>	135,021	135,000	135,000	0
<i>Total Expenditures</i>	135,021	135,000	135,000	0
<i>Net Change in Fund Balances</i>	14,979	21	21	0
<i>Fund Balances at Beginning of Year</i>	959	959	959	0
<i>Fund Balances at End of Year</i>	\$15,938	\$980	\$980	\$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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$116,338	\$96,272	\$96,272	\$0
<i>Total Revenues</i>	<u>116,338</u>	<u>96,272</u>	<u>96,272</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
General Government				
Victim Witness				
Personal Services	0	46,338	46,338	0
<i>Total Victim Witness</i>	<u>0</u>	<u>46,338</u>	<u>46,338</u>	<u>0</u>
<i>Total General Government</i>	<u>0</u>	<u>46,338</u>	<u>46,338</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>46,338</u>	<u>46,338</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	116,338	49,934	49,934	0
<b>Other Financing Uses</b>				
Transfers Out	(116,338)	(70,000)	0	70,000
<i>Total Other Financing Uses</i>	<u>(116,338)</u>	<u>(70,000)</u>	<u>0</u>	<u>70,000</u>
<i>Net Change in Fund Balances</i>	0	(20,066)	49,934	70,000
<i>Fund Balances at Beginning of Year</i>	240,000	240,000	240,000	0
<i>Prior Year Encumbrances Appropriated</i>	99	99	99	0
<i>Fund Balances at End of Year</i>	<u><u>\$240,099</u></u>	<u><u>\$220,033</u></u>	<u><u>\$290,033</u></u>	<u><u>\$70,000</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
<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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$10,000	\$6,076	\$6,076	\$0
<i>Total Revenues</i>	<u>10,000</u>	<u>6,076</u>	<u>6,076</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Contractual Services	0	10,244	10,137	107
Other	40,000	32,156	32,156	0
<i>Total Police</i>	<u>40,000</u>	<u>42,400</u>	<u>42,293</u>	<u>0</u>
<i>Total Security of Persons and Property</i>	<u>40,000</u>	<u>42,400</u>	<u>42,293</u>	<u>0</u>
<i>Total Expenditures</i>	<u>40,000</u>	<u>42,400</u>	<u>42,293</u>	<u>107</u>
<i>Net Change in Fund Balances</i>	(30,000)	(36,324)	(36,217)	107
<i>Fund Balances at Beginning of Year</i>	<u>63,792</u>	<u>63,792</u>	<u>63,792</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$33,792</u>	<u>\$27,468</u>	<u>\$27,575</u>	<u>\$107</u>

**City of Chillicothe**  
*Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)*  
*Indigent Driver's Alcohol Treatment Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, Licenses, and Permits	\$25,000	\$21,074	\$21,074	\$0
<i>Total Revenues</i>	<u>25,000</u>	<u>21,074</u>	<u>21,074</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Contractual Services	50,000	50,000	0	50,000
Other	110,000	110,000	0	110,000
<i>Total Police</i>	<u>160,000</u>	<u>160,000</u>	<u>0</u>	<u>160,000</u>
<i>Total Security of Persons and Property</i>	<u>160,000</u>	<u>160,000</u>	<u>0</u>	<u>160,000</u>
<i>Total Expenditures</i>	<u>160,000</u>	<u>160,000</u>	<u>0</u>	<u>160,000</u>
<i>Net Change in Fund Balances</i>	(135,000)	(138,926)	21,074	160,000
<i>Fund Balances at Beginning of Year</i>	<u>333,874</u>	<u>333,874</u>	<u>333,874</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$198,874</u>	<u>\$194,948</u>	<u>\$354,948</u>	<u>\$160,000</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, Licenses, and Permits	\$2,000	\$1,635	\$1,635	\$0
<i>Total Revenues</i>	<u>2,000</u>	<u>1,635</u>	<u>1,635</u>	<u>0</u>
<b>Expenditures:</b>				
<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	1,635	1,635	0
<i>Fund Balances at Beginning of Year</i>	<u>27,284</u>	<u>27,284</u>	<u>27,284</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$29,284</u>	<u>\$28,919</u>	<u>\$28,919</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, Licenses, and Permits	\$1,000	\$529	\$529	\$0
<i>Total Revenues</i>	<u>1,000</u>	<u>529</u>	<u>529</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Other	1,000	1,000	0	1,000
<i>Total Police</i>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Total Security of Persons and Property</i>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Total Expenditures</i>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balances</i>	0	(471)	529	1,000
<i>Fund Balances at Beginning of Year</i>	<u>11,061</u>	<u>11,061</u>	<u>11,061</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$11,061</u></u>	<u><u>\$10,590</u></u>	<u><u>\$11,590</u></u>	<u><u>\$1,000</u></u>

**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, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for Services	\$105,000	\$97,500	\$97,500	\$0
Fines, Licenses, and Permits	15,000	13,051	13,051	0
Other	14,850	68,205	68,205	0
<i>Total Revenues</i>	134,850	178,756	178,756	0
<b>Expenditures:</b>				
Current:				
Transportation				
Traffic Control and Parking Facility				
Personal Services	126,244	128,866	111,923	16,943
Fringe Benefits	46,729	58,881	52,186	6,695
Contractual Services	12,100	12,799	12,799	0
Materials and Supplies	22,500	110,940	101,053	9,887
Other	4,000	5,000	4,851	149
<i>Total Traffic Control and Parking Facility</i>	211,573	316,486	282,812	33,674
<i>Total Transportation</i>	211,573	316,486	282,812	33,674
Capital Outlay:				
Capital Outlay	40,000	4,000	0	4,000
<i>Total Capital Outlay</i>	40,000	4,000	0	4,000
Debt Service:				
Principal	29,460	29,460	29,460	0
Interest	2,179	2,179	2,179	0
<i>Total Debt Service</i>	31,639	31,639	31,639	0
<i>Total Expenditures</i>	283,212	352,125	314,451	37,674
<i>Excess of Revenues Under Expenditures</i>	(148,362)	(173,369)	(135,695)	37,674
<b>Other Financing Sources (Uses)</b>				
Transfers In	154,000	218,083	218,083	0
Transfers Out	(30,000)	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	124,000	188,083	188,083	0
<i>Net Change in Fund Balances</i>	(24,362)	14,714	52,388	37,674
<i>Fund Balances at Beginning of Year</i>	49,698	49,698	49,698	0
<i>Prior Year Encumbrances Appropriated</i>	5,500	5,500	5,500	0
<i>Fund Balances at End of Year</i>	\$30,836	\$69,912	\$107,586	\$37,674

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$143,044	\$147,976	\$147,976	\$0
Intergovernmental	14,000	17,026	17,026	0
<i>Total Revenues</i>	157,044	165,002	165,002	0
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police Pension and Disability				
Fringe Benefits	695,463	750,700	707,138	43,562
Other	3,000	3,000	2,968	32
<i>Total Police Pension and Disability</i>	698,463	753,700	710,106	43,594
<i>Total Security of Persons and Property</i>	698,463	753,700	710,106	43,594
Debt Service:				
Principal	7,910	7,910	7,910	0
Interest	678	441	441	0
<i>Total Debt Service</i>	8,588	8,351	8,351	0
<i>Total Expenditures</i>	707,051	762,051	718,457	43,594
<i>Excess of Revenues Under Expenditures</i>	(550,007)	(597,049)	(553,455)	43,594
<b>Other Financing Sources</b>				
Transfers In	558,932	588,454	588,454	0
<i>Total Other Financing Sources</i>	558,932	588,454	588,454	0
<i>Net Change in Fund Balances</i>	8,925	(8,595)	34,999	43,594
<i>Fund Balances at Beginning of Year</i>	19,999	19,999	19,999	0
<i>Fund Balances at End of Year</i>	\$28,924	\$11,404	\$54,998	\$43,594

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$143,044	\$147,976	\$147,976	\$0
Intergovernmental	14,600	17,026	17,026	0
<i>Total Revenues</i>	<u>157,644</u>	<u>165,002</u>	<u>165,002</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Fire Pension and Disability				
Fringe Benefits	839,645	924,645	885,217	39,428
Other	3,000	3,000	2,968	32
<i>Total Fire Pension and Disability</i>	<u>842,645</u>	<u>927,645</u>	<u>888,185</u>	<u>39,460</u>
<i>Total Security of Persons and Property</i>	<u>842,645</u>	<u>927,645</u>	<u>888,185</u>	<u>39,460</u>
Debt Service:				
Principal	27,090	27,090	27,090	0
Interest	1,509	1,509	1,509	0
<i>Total Debt Service</i>	<u>28,599</u>	<u>28,599</u>	<u>28,599</u>	<u>0</u>
<i>Total Expenditures</i>	<u>871,244</u>	<u>956,244</u>	<u>916,784</u>	<u>39,460</u>
<i>Excess of Revenues Under Expenditures</i>	(713,600)	(791,242)	(751,782)	39,460
<b>Other Financing Sources</b>				
Transfers In	718,876	816,782	816,782	0
<i>Total Other Financing Sources</i>	<u>718,876</u>	<u>816,782</u>	<u>816,782</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,276	25,540	65,000	39,460
<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>\$25,275</u>	<u>\$45,539</u>	<u>\$84,999</u>	<u>\$39,460</u>

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$25,738	\$120,831	\$120,831	\$0
<i>Total Revenues</i>	<u>25,738</u>	<u>120,831</u>	<u>120,831</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Contractual Services	0	68,872	26,936	41,936
<i>Total Security of Persons and Property</i>	<u>0</u>	<u>68,872</u>	<u>26,936</u>	<u>41,936</u>
<i>Total Expenditures</i>	<u>0</u>	<u>68,872</u>	<u>26,936</u>	<u>41,936</u>
<i>Net Change in Fund Balances</i>	25,738	51,959	93,895	41,936
<i>Fund Balances at Beginning of Year</i>	<u>26,936</u>	<u>26,936</u>	<u>26,936</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$52,674</u></u>	<u><u>\$78,895</u></u>	<u><u>\$120,831</u></u>	<u><u>\$41,936</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other	\$0	\$15,690	\$0	(\$15,690)
<i>Total Revenues</i>	0	15,690	0	(15,690)
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	0	674,540	644,439	30,101
Fringe Benefits	0	248,891	131,630	117,261
Contractual Services	0	12,000	4,690	7,310
<i>Total Police</i>	0	935,431	780,759	154,672
<i>Total Security of Persons and Property</i>	0	935,431	780,759	154,672
<i>Total Expenditures</i>	0	935,431	780,759	154,672
<i>Excess of Revenues Under Expenditures</i>	0	(919,741)	(780,759)	138,982
<b>Other Financing Uses</b>				
Transfers Out	(835,430)	0	0	0
<i>Total Other Financing Sources</i>	(835,430)	0	0	0
<i>Net Change in Fund Balances</i>	(835,430)	(919,741)	(780,759)	138,982
<i>Fund Balances at Beginning of Year</i>	1,598,140	1,598,140	1,598,140	0
<i>Prior Year Encumbrances Appropriated</i>	149	149	149	0
<i>Fund Balances at End of Year</i>	\$762,859	\$678,548	\$817,530	\$138,982

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
<i>Total Expenditures</i>	0	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0	0
<b>Other Financing Uses</b>				
Transfers Out	0	(64,550)	0	64,550
<i>Total Other Financing Uses</i>	0	(64,550)	0	64,550
<i>Net Change in Fund Balances</i>	0	(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>	\$232,333	\$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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
<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>	18,040	18,040	18,040	0
<i>Fund Balances at End of Year</i>	<u>\$18,040</u>	<u>\$18,040</u>	<u>\$18,040</u>	<u>\$0</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$1,020,000	\$787,119	\$787,119	\$0
<i>Total Revenues</i>	<u>\$1,020,000</u>	<u>\$787,119</u>	<u>\$787,119</u>	<u>\$0</u>
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	1,020,000	987,119	987,119	0
<i>Total Capital Outlay</i>	<u>1,020,000</u>	<u>987,119</u>	<u>987,119</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,020,000</u>	<u>987,119</u>	<u>987,119</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	0	(200,000)	(200,000)	0
<b>Other Financing Sources</b>				
Proceeds from OPWC Loan	0	200,000	200,000	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>200,000</u>	<u>200,000</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$894,250	\$974,168	\$974,168	\$0
Intergovernmental	0	60,586	60,586	0
Interest	0	182	182	0
<i>Total Revenues</i>	894,250	1,034,936	1,034,936	0
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Contractual Services	80,000	79,859	37,018	42,841
Materials and Supplies	0	63,679	63,679	0
Other	11,000	11,000	9,045	1,955
<i>Total Police</i>	91,000	154,538	109,742	44,796
Security of Persons and Property				
Fire				
Contractual Services	0	24,926	24,926	0
Materials and Supplies	300	40,751	40,751	0
<i>Total Fire</i>	300	65,677	65,677	0
<i>Total Security of Persons and Property</i>	91,300	220,215	175,419	44,796
Capital Outlay:				
Capital Outlay	1,297,122	1,876,741	1,304,015	572,726
<i>Total Capital Outlay</i>	1,297,122	1,876,741	1,304,015	572,726
Debt Service:				
Principal	236,715	267,987	267,987	0
Interest	12,833	15,824	15,824	0
Issuance Costs	0	5,000	5,000	0
<i>Total Debt Service</i>	249,548	288,811	288,811	0
<i>Total Expenditures</i>	1,637,970	2,385,767	1,768,245	617,522
<i>Excess of Revenues Under Expenditures</i>	(743,720)	(1,350,831)	(733,309)	617,522
<b>Other Financing Sources (Uses)</b>				
Transfers In	150,000	150,000	0	(150,000)
General Obligation Bonds Issued	382,600	205,000	205,000	0
Transfers Out	(22,500)	(27,343)	(26,406)	937
<i>Total Other Financing Sources (Uses)</i>	510,100	327,657	178,594	(149,063)
<i>Net Change in Fund Balances</i>	(233,620)	(1,023,174)	(554,715)	468,459
<i>Fund Balances at Beginning of Year</i>	788,510	788,510	788,510	0
<i>Prior Year Encumbrances Appropriated</i>	300,983	300,983	300,983	0
<i>Fund Balances at End of Year</i>	\$855,873	\$66,319	\$534,778	\$468,459

**City of Chillicothe**  
*Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)*  
*Parks and Recreation Capital Fund*  
*For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$223,563	\$243,434	\$243,434	\$0
Intergovernmental	375,619	72,500	72,500	0
Interest	0	45	45	0
Contributions and Donations	0	225	225	0
Other	2,000	0	0	0
<i>Total Revenues</i>	601,182	316,204	316,204	0
<b>Expenditures:</b>				
Current:				
Leisure Time Services				
Parks and Recreation				
Contractual Services	0	58,952	58,952	0
Materials and Supplies	0	217,997	217,997	0
<i>Total Parks and Recreation</i>	0	276,949	276,949	0
<i>Total Leisure Time Services</i>	0	276,949	276,949	0
Capital Outlay:				
Capital Outlay	1,634,750	697,782	163,983	533,799
<i>Total Capital Outlay</i>	1,634,750	697,782	163,983	533,799
Debt Service:				
Principal	37,676	37,676	37,676	0
Interest	19,627	19,627	19,627	0
Issuance Costs	0	6,800	6,800	0
<i>Total Debt Service</i>	57,303	64,103	64,103	0
<i>Total Expenditures</i>	1,692,053	1,038,834	505,035	533,799
<i>Excess of Revenues Under Expenditures</i>	(1,090,871)	(722,630)	(188,831)	533,799
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	306,800	306,800	0
Transfers In	1,000,000	1,000,000	0	(1,000,000)
Transfers Out	(172,500)	(176,499)	(28,375)	148,124
<i>Total Other Financing Sources (Uses)</i>	827,500	1,130,301	278,425	(851,876)
<i>Net Change in Fund Balances</i>	(263,371)	407,671	89,594	(318,077)
<i>Fund Balances at Beginning of Year</i>	365,478	365,478	365,478	0
<i>Prior Year Encumbrances Appropriated</i>	7,956	7,956	7,956	0
<i>Fund Balances at End of Year</i>	\$110,063	\$781,105	\$463,028	(\$318,077)

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest	\$15	\$0	\$0	\$0
<i>Total Revenues</i>	15	0	0	0
<b>Expenditures:</b>				
<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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
Current:				
Community Environment				
Floodwall Maintenance				
Contractual Services	47,209	24,841	16,348	8,493
Materials and Supplies	0	22,925	22,657	268
<i>Total Floodwall Maintenance</i>	<u>47,209</u>	<u>47,766</u>	<u>39,005</u>	<u>8,761</u>
<i>Total Community Environment</i>	<u>47,209</u>	<u>47,766</u>	<u>39,005</u>	<u>8,761</u>
Capital Outlay:				
Capital Outlay	28,000	16,330	0	16,330
<i>Total Capital Outlay</i>	<u>28,000</u>	<u>16,330</u>	<u>0</u>	<u>16,330</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>75,209</u>	<u>72,533</u>	<u>47,442</u>	<u>25,091</u>
<i>Excess of Revenues Under Expenditures</i>	(75,209)	(72,533)	(47,442)	25,091
<b>Other Financing Sources (Uses)</b>				
Transfers In	76,000	82,333	82,333	0
Transfers Out	0	(9,800)	0	9,800
<i>Total Other Financing Sources (Uses)</i>	<u>76,000</u>	<u>72,533</u>	<u>82,333</u>	<u>9,800</u>
<i>Net Change in Fund Balances</i>	791	0	34,891	34,891
<i>Fund Balances at Beginning of Year</i>	<u>12,907</u>	<u>12,907</u>	<u>12,907</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$13,698</u>	<u>\$12,907</u>	<u>\$47,798</u>	<u>\$34,891</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
Current:				
Public Health				
Contractual Services	10,196	29,997	29,997	0
<i>Total Public Health</i>	10,196	29,997	29,997	0
Capital Outlay:				
Capital Outlay	35,000	0	0	0
<i>Total Capital Outlay</i>	35,000	0	0	0
Debt Service:				
Principal	0	4,348	4,348	0
Interest	0	348	348	0
<i>Total Debt Service</i>	0	4,696	4,696	0
<i>Total Expenditures</i>	45,196	34,693	34,693	0
<i>Excess of Revenues Under Expenditures</i>	(45,196)	(34,693)	(34,693)	0
<b>Other Financing Sources</b>				
Transfers In	20,000	34,000	34,000	0
<i>Total Other Financing Sources</i>	20,000	34,000	34,000	0
<i>Net Change in Fund Balances</i>	(25,196)	(693)	(693)	0
<i>Fund Balances at Beginning of Year</i>	29,287	29,287	29,287	0
<i>Fund Balances at End of Year</i>	\$4,091	\$28,594	\$28,594	\$0

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures:</b>				
Capital Outlay:				
Capital Outlay	21,667	20,000	18,748	1,252
<i>Total Capital Outlay</i>	21,667	20,000	18,748	1,252
<i>Total Expenditures</i>	21,667	20,000	18,748	1,252
<i>Excess of Revenues Under Expenditures</i>	(21,667)	(20,000)	(18,748)	1,252
<b>Other Financing Sources</b>				
Transfers In	20,000	21,667	21,667	0
<i>Total Other Financing Sources</i>	20,000	21,667	21,667	0
<i>Net Change in Fund Balances</i>	(1,667)	1,667	2,919	1,252
<i>Fund Balances at Beginning of Year</i>	16,631	16,631	16,631	0
<i>Fund Balances at End of Year</i>	\$14,964	\$18,298	\$19,550	\$1,252

**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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other	\$10,000	\$10,299	\$10,299	\$0
<i>Total Revenues</i>	<u>10,000</u>	<u>10,299</u>	<u>10,299</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
General Government				
Monies Claimed				
Other	10,299	2,000	0	2,000
<i>Total Monies Claimed</i>	<u>10,299</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Total General Government</i>	<u>10,299</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Total Expenditures</i>	<u>10,299</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balances</i>	(299)	8,299	10,299	2,000
<i>Fund Balances at Beginning of Year</i>	<u>139,933</u>	<u>139,933</u>	<u>139,933</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$139,634</u></u>	<u><u>\$148,232</u></u>	<u><u>\$150,232</u></u>	<u><u>\$2,000</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, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$60,000	\$67,241	\$67,241	\$0
<i>Total Revenues</i>	60,000	67,241	67,241	0
<b>Expenditures:</b>				
Current:				
General Government				
Postage Services				
Materials and Supplies	60,000	78,000	76,104	1,896
<i>Total Postage Services</i>	60,000	78,000	76,104	1,896
<i>Total General Government</i>	60,000	78,000	76,104	1,896
<i>Total Expenditures</i>	60,000	78,000	76,104	1,896
<i>Net Change in Fund Balances</i>	0	(10,759)	(8,863)	1,896
<i>Fund Balances at Beginning of Year</i>	23,263	23,263	23,263	0
<i>Fund Balances at End of Year</i>	\$23,263	\$12,504	\$14,400	\$1,896

**City of Chillicothe, Ohio**  
*Proprietary Fund Descriptions*

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**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, 2023*

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
<b>Assets:</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$135,879	\$0	\$135,879
Cash and Cash Equivalents with Fiscal Agents	0	3,075,615	3,075,615
<i>Total Current Assets</i>	<u>135,879</u>	<u>3,075,615</u>	<u>3,211,494</u>
<i>Total Assets</i>	135,879	3,075,615	3,211,494
<b>Liabilities:</b>			
<i>Current:</i>			
Accounts Payable	10,850	0	10,850
Claims Payable	0	768,226	768,226
<i>Total Current Liabilities</i>	<u>10,850</u>	<u>768,226</u>	<u>779,076</u>
<i>Total Liabilities</i>	10,850	768,226	779,076
<b>Net Position:</b>			
Unrestricted	125,029	2,307,389	2,432,418
<i>Total Net Position</i>	<u>\$125,029</u>	<u>\$2,307,389</u>	<u>\$2,432,418</u>

**City of Chillicothe**  
*Combining Statement of Revenues, Expenses, and Changes in Fund Net Position*  
*Internal Service Funds*  
*For the Year Ended December 31, 2023*

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
<b>Operating Revenues:</b>			
Charges for Services	\$472,710	\$5,405,979	\$5,878,689
<i>Total Operating Revenues</i>	472,710	5,405,979	5,878,689
<b>Operating Expenses:</b>			
Contractual Services	0	1,139,013	1,139,013
Materials and Supplies	426,241	0	426,241
Claims	0	5,098,014	5,098,014
<i>Total Operating Expenses</i>	426,241	6,237,027	6,663,268
<i>Operating Loss</i>	46,469	(831,048)	(784,579)
<b>Nonoperating Revenues</b>			
Interest	0	101,694	101,694
<i>Total Nonoperating Revenues</i>	0	101,694	101,694
<i>Change in Net Position</i>	46,469	(729,354)	(682,885)
<i>Net Position Beginning of Year</i>	78,560	3,036,743	3,115,303
<i>Net Position End of Year</i>	\$125,029	\$2,307,389	\$2,432,418

**City of Chillicothe**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Year Ended December 31, 2023

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$472,710	\$5,405,979	\$5,878,689
Cash Payments for Claims	0	(5,076,891)	(5,076,891)
Cash Payments for Contractual Services	0	(1,139,013)	(1,139,013)
Cash Payments for Supplies and Materials	(448,636)	0	(448,636)
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>24,074</u>	<u>(809,925)</u>	<u>(785,851)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Earnings	0	101,694	101,694
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>101,694</u>	<u>101,694</u>
<i>Net Change in Cash and Cash Equivalents</i>	24,074	(708,231)	(684,157)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>111,805</u>	<u>3,783,846</u>	<u>3,895,651</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$135,879</u></u>	<u><u>\$3,075,615</u></u>	<u><u>\$3,211,494</u></u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities</b>			
Operating Loss	\$46,469	(\$831,048)	(\$784,579)
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:</i>			
<i>Changes in Liabilities:</i>			
Decrease in Accounts Payable	(22,395)	0	(22,395)
Increase in Claims Payable	0	21,123	21,123
<i>Net Cash Provided (Used) by Operating Activities</i>	<u><u>\$24,074</u></u>	<u><u>(\$809,925)</u></u>	<u><u>(\$785,851)</u></u>

**City of Chillicothe, Ohio**  
*Fiduciary Fund Descriptions*

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**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, 2023*

	Deposits Custodial	Municipal Court	Total Custodial Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$38,022	\$0	\$38,022
Cash and Cash Equivalents in Segregated Accounts	0	91,633	91,633
<i>Total Assets</i>	<u>38,022</u>	<u>91,633</u>	<u>129,655</u>
<b>Liabilities:</b>			
Intergovernmental Payable	0	51,467	51,467
<i>Total Liabilities</i>	<u>0</u>	<u>51,467</u>	<u>51,467</u>
<b>Net Position:</b>			
Restricted for Individuals, Organizations, and Other Governments	38,022	40,166	78,188
<i>Total Net Position</i>	<u>\$38,022</u>	<u>\$40,166</u>	<u>\$78,188</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, 2023*

	Deposits Custodial	Municipal Court	Total Custodial Funds
<b>Additions:</b>			
Fines and Forfeitures for Other Governments	\$392	\$2,295,820	\$2,296,212
<i>Total Additions</i>	<u>392</u>	<u>2,295,820</u>	<u>2,296,212</u>
<b>Deductions:</b>			
Fines and Forfeitures Distributions to Other Governments	493	2,327,792	2,328,285
<i>Total Deductions</i>	<u>493</u>	<u>2,327,792</u>	<u>2,328,285</u>
<i>Change in Net Position</i>	(101)	(31,972)	(32,073)
<i>Net Position at Beginning of Year</i>	<u>38,123</u>	<u>72,138</u>	<u>110,261</u>
<i>Net Position at End of Year</i>	<u><u>\$38,022</u></u>	<u><u>\$40,166</u></u>	<u><u>\$78,188</u></u>

See accompanying notes to the basic financial statements.



## 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<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)*

	2014	2015	2016	*
				2017
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$34,537,906	\$31,019,197	\$29,083,001	\$26,212,133
<i>Restricted:</i>				
Debt Service	3,152	2,720	0	0
Capital Outlay	874,538	691,212	783,956	685,762
<i>Permanent Fund:</i>				
Expendable	2,265	2,295	2,310	2,325
Nonexpendable	1,000	1,000	1,000	1,000
Street Maintenance and Repair	493,184	0	2,507,600	3,618,733
Parks and Recreation	0	0	0	0
State Grants	0	0	0	0
Indigent Drivers Alcohol Treatment Program	0	0	0	0
Bus Transit	585,710	719,872	745,369	1,085,982
Housing and Urban Development Program	88,716	90,128	62,535	57,633
Unclaimed Monies	77,778	84,470	88,739	96,200
Other Purposes	906,132	1,070,940	1,171,945	1,188,462
Unrestricted (Deficit)	(14,972,673)	(12,599,357)	(15,464,626)	(32,054,419)
<i>Total Governmental Activities Net Position</i>	<u>\$22,597,708</u>	<u>\$21,082,477</u>	<u>\$18,981,829</u>	<u>\$893,811</u>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	\$33,479,256	\$33,549,707	\$33,244,740	\$33,483,988
<i>Restricted:</i>				
Debt Service	1,351,634	4	4	4
Capital Outlay	1,818,467	618,468	618,468	618,466
Unrestricted	3,032,263	6,210,997	6,856,475	4,814,012
<i>Total Business-Type Activities Net Position</i>	<u>\$39,681,620</u>	<u>\$40,379,176</u>	<u>\$40,719,687</u>	<u>\$38,916,470</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$68,017,162	\$64,568,904	\$62,327,741	\$59,696,121
Restricted	6,202,576	3,281,109	5,981,926	7,354,567
Unrestricted (Deficit)	(11,940,410)	(6,388,360)	(8,608,151)	(27,240,407)
<i>Total Primary Government Net Position</i>	<u>\$62,279,328</u>	<u>\$61,461,653</u>	<u>\$59,701,516</u>	<u>\$39,810,281</u>

\*Restated in 2018.

\*\*Restated in 2021.

		**			
2018	2019	2020	2021	2022	2023
\$26,307,894	\$25,181,090	\$33,846,619	\$34,212,897	\$34,507,767	\$35,684,795
83,515	196,466	228,332	232,332	232,332	232,332
1,258,733	1,060,549	2,189,035	3,758,796	3,679,712	4,712,312
2,340	2,355	2,370	2,378	2,378	2,378
1,000	1,000	1,000	1,000	1,000	1,000
2,839,067	2,451,875	2,927,685	3,318,877	2,569,992	2,597,412
0	0	0	0	319,346	0
0	0	0	0	280,745	330,866
0	0	0	0	334,291	355,991
698,018	695,352	900,330	1,994,197	3,135,621	2,975,471
79,940	13,430	20,092	25,313	0	0
102,950	110,985	118,451	130,417	139,933	150,232
1,118,385	1,090,068	1,301,385	1,347,137	281,262	591,364
(35,176,908)	(26,910,596)	(28,157,047)	(21,886,343)	(15,821,050)	(18,122,197)
<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>	<u>\$29,511,956</u>
\$33,067,316	\$32,231,325	\$31,860,203	\$33,237,984	\$32,547,979	\$33,752,467
4	4	4	0	0	0
618,466	618,466	618,466	618,466	618,466	618,466
5,207,250	5,148,565	5,563,635	4,866,709	6,090,522	5,527,518
<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>	<u>\$39,898,451</u>
\$59,375,210	\$57,412,415	\$65,706,822	\$67,450,881	\$67,055,746	\$69,437,262
6,802,418	6,240,550	8,307,150	11,428,913	11,595,078	12,567,824
(29,969,658)	(21,762,031)	(22,593,412)	(17,019,634)	(9,730,528)	(12,594,679)
<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>	<u>\$69,410,407</u>

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

	2014	2015	2016	2017
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<i>Charges for Services:</i>				
General Government	\$2,206,675	\$2,326,602	\$2,483,728	\$2,675,760
Security of Persons and Property:				
Police	42,685	49,952	33,477	41,252
Fire	1,136,677	999,256	1,037,872	1,068,942
Leisure Time Services	109,667	91,472	114,592	111,831
Community Environment	0	0	0	0
Basic Utility Services	1,460,742	1,461,615	1,455,317	1,452,727
Transportation	2,038,070	2,345,012	1,959,322	2,228,577
Subtotal - Charges for Services	<u>6,994,516</u>	<u>7,273,909</u>	<u>7,084,308</u>	<u>7,579,089</u>
<i>Operating Grants and Contributions:</i>				
General Government	212,942	0	0	6,843
Security of Persons and Property:				
Police	74,464	33,611	14,800	41,146
Fire	30,317	19,502	14,017	14,140
Leisure Time Services	17,440	0	0	0
Community Environment	120,686	83,757	69,041	47,704
Basic Utility Services	0	0	0	0
Transportation	2,464,472	2,676,569	2,664,810	2,434,016
Intergovernmental	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>2,920,321</u>	<u>2,813,439</u>	<u>2,762,668</u>	<u>2,543,849</u>
<i>Capital Grants and Contributions:</i>				
Leisure Time Services	4,960	0	10,000	0
Transportation	60,131	330,000	95,450	420,773
Subtotal - Capital Grants and Contributions	<u>65,091</u>	<u>330,000</u>	<u>105,450</u>	<u>420,773</u>
<i>Total Governmental Activities Program Revenues</i>	<u>9,979,928</u>	<u>10,417,348</u>	<u>9,952,426</u>	<u>10,543,711</u>
<b>Business-Type Activities</b>				
<i>Charges for Services:</i>				
Water	4,343,590	4,389,716	4,276,662	4,345,361
Sewer	3,026,390	3,091,530	3,044,372	3,171,156
Subtotal - Charges for Services	<u>7,369,980</u>	<u>7,481,246</u>	<u>7,321,034</u>	<u>7,516,517</u>
<i>Operating Grants and Contributions:</i>				
Sewer	0	0	0	0
<i>Capital Grants and Contributions:</i>				
Sewer	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>7,369,980</u>	<u>7,481,246</u>	<u>7,321,034</u>	<u>7,516,517</u>
<i>Total Primary Government Program Revenues</i>	<u>\$17,349,908</u>	<u>\$17,898,594</u>	<u>\$17,273,460</u>	<u>\$18,060,228</u>

2018	2019	2020	2021	2022	2023
\$2,373,866	\$2,224,889	\$1,641,839	\$511,100	\$1,659,018	\$1,839,849
34,761	39,815	161,998	446,103	29,665	34,164
1,048,201	1,091,456	1,108,592	1,547,986	1,213,148	1,169,407
109,365	96,761	6,700	91,258	115,329	85,784
0	0	10,832	5,223	5,001	0
1,485,124	1,643,182	1,924,929	2,132,101	2,055,412	2,076,315
4,486,010	5,202,451	3,603,228	3,685,861	4,480,630	4,085,651
9,537,327	10,298,554	8,458,118	8,419,632	9,558,203	9,291,170
0	0	999,389	248,094	410,640	360,795
235,623	393,488	92,262	68,241	106,838	981,427
14,110	14,482	160,401	96,724	30	20,990
0	0	26,199	40,302	1,729	291,065
13,450	363,546	833,215	15,003	130,008	135,021
0	0	27,032	0	44,374	205,626
2,082,423	2,457,636	4,368,114	5,668,572	5,025,404	4,941,094
0	0	0	0	0	240,928
2,345,606	3,229,152	6,506,612	6,136,936	5,719,023	7,176,946
56,802	83,569	0	125,094	0	0
603,450	512,747	0	46,841	252,881	0
660,252	596,316	0	171,935	252,881	0
12,543,185	14,124,022	14,964,730	14,728,503	15,530,107	16,468,116
4,421,534	4,382,532	4,707,309	3,966,842	4,417,647	4,486,597
3,430,191	3,488,525	3,832,193	3,245,765	3,518,958	3,688,709
7,851,725	7,871,057	8,539,502	7,212,607	7,936,605	8,175,306
0	0	0	22,786	0	0
0	0	0	0	0	2,100,809
7,851,725	7,871,057	8,539,502	7,235,393	7,936,605	10,276,115
\$20,394,910	\$21,995,079	\$23,504,232	\$21,963,896	\$23,466,712	\$26,744,231

(continued)

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

	2014	2015	2016	2017
<b>Expenses</b>				
<b><i>Governmental Activities</i></b>				
General Government	\$5,100,298	\$5,586,664	\$5,849,212	\$6,389,653
Security of Persons and Property:				
Police	5,338,983	5,207,081	6,400,259	6,332,115
Fire	5,564,205	5,263,397	6,144,215	6,260,678
Public Health	0	0	0	0
Leisure Time Services	775,554	789,943	997,693	1,097,183
Community Environment	603,419	445,176	432,011	430,023
Basic Utility Services	1,108,199	898,156	920,757	985,975
Transportation	6,402,993	8,356,705	8,833,139	8,703,914
Intergovernmental	0	0	0	0
Interest on Long-Term Debt	167,577	177,562	191,771	303,446
Issuance Costs	0	6,928	71,950	61,187
<i>Total Governmental Activities Expenses</i>	<u>25,061,228</u>	<u>26,731,612</u>	<u>29,841,007</u>	<u>30,564,174</u>
<b><i>Business-Type Activities</i></b>				
Water	3,983,254	3,675,217	4,078,550	4,277,717
Sewer	3,123,064	3,278,689	3,148,529	3,631,845
<i>Total Business-Type Activities Expenses</i>	<u>7,106,318</u>	<u>6,953,906</u>	<u>7,227,079</u>	<u>7,909,562</u>
<i>Total Primary Government Program Expenses</i>	<u>32,167,546</u>	<u>33,685,518</u>	<u>37,068,086</u>	<u>38,473,736</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(15,081,300)	(16,314,264)	(19,888,581)	(20,020,463)
Business-Type Activities	263,662	527,340	93,955	(393,045)
<i>Total Primary Government Net Expense</i>	<u>(14,817,638)</u>	<u>(15,786,924)</u>	<u>(19,794,626)</u>	<u>(20,413,508)</u>

2018	2019	2020	2021	2022	2023
\$6,661,671	\$8,183,220	\$6,267,660	\$3,855,019	\$5,356,545	\$7,448,104
7,589,867	2,920,880	7,407,309	5,561,708	5,831,283	8,456,979
7,001,891	481,614	7,092,636	6,115,182	6,505,917	7,922,093
0	0	0	0	38,427	29,997
1,176,712	1,091,968	933,515	857,434	974,476	1,349,042
354,503	775,071	1,476,572	357,249	551,698	625,414
1,782,804	1,144,709	1,352,143	1,008,751	1,082,742	1,492,008
10,737,859	12,236,494	9,681,811	7,464,294	9,821,764	11,879,627
0	0	0	0	0	200,000
287,022	251,742	267,005	201,843	189,519	167,174
0	16,031	80,085	0	0	46,400
35,592,329	27,101,729	34,558,736	25,421,480	30,352,371	39,616,838
4,537,006	5,026,351	5,045,810	4,078,754	3,802,275	5,400,688
3,621,098	3,968,060	3,791,867	2,603,986	3,697,906	4,399,977
8,158,104	8,994,411	8,837,677	6,682,740	7,500,181	9,800,665
43,750,433	36,096,140	43,396,413	32,104,220	37,852,552	49,417,503
(23,049,144)	(12,977,707)	(19,594,006)	(10,692,977)	(14,822,264)	(23,148,722)
(306,379)	(1,123,354)	(298,175)	552,653	436,424	475,450
(23,355,523)	(14,101,061)	(19,892,181)	(10,140,324)	(14,385,840)	(22,673,272)

(continued)

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

	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>				
<b><i>Governmental Activities</i></b>				
<i>Taxes:</i>				
<i>Property Taxes Levied for:</i>				
General Purposes	\$865,677	\$861,079	\$884,981	\$900,267
Police and Fire Pension	222,750	215,431	213,818	217,816
<i>Municipal Income Taxes Levied for:</i>				
General Purposes	9,309,831	9,800,131	10,935,510	11,148,015
Transportation	716,139	732,147	2,176,293	2,215,346
Parks and Recreation	553,757	533,036	565,307	558,768
Capital Outlay	894,889	915,798	938,664	930,366
Other Local Taxes	262,223	290,727	304,959	375,388
Grants and Entitlements not Restricted to Specific Programs	915,163	741,609	860,806	875,632
Gifts and Contributions not Restricted to Specific Programs	0	0	0	0
Investment Income	17,177	14,841	49,563	82,206
Gain on Sale of Capital Assets	0	0	13,318	0
Insurance Recoveries	0	0	0	0
Miscellaneous	558,521	706,066	873,248	1,278,970
<i>Total Governmental Activities</i>	<u>14,316,127</u>	<u>14,810,865</u>	<u>17,816,467</u>	<u>18,582,774</u>
<b><i>Business-Type Activities</i></b>				
Investment Income	5,142	4	0	0
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	189,347	158,380	218,022	187,608
<i>Total Business-Type Activities</i>	<u>194,489</u>	<u>158,384</u>	<u>218,022</u>	<u>187,608</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>14,510,616</u>	<u>14,969,249</u>	<u>18,034,489</u>	<u>18,770,382</u>
<b><i>Transfers</i></b>				
Governmental Activities	(25,443)	(11,832)	(28,534)	(35,579)
Business-Type Activities	25,443	11,832	28,534	35,579
<b>Change in Net Position</b>				
Governmental Activities	(790,616)	(1,515,231)	(2,100,648)	(1,473,268)
Business-Type Activities	483,594	697,556	340,511	(169,858)
<i>Total Primary Government Change in Net Position</i>	<u>(\$307,022)</u>	<u>(\$817,675)</u>	<u>(\$1,760,137)</u>	<u>(\$1,643,126)</u>



2018	2019	2020	2021	2022	2023
\$971,274	\$971,603	\$1,076,509	\$1,035,226	\$1,098,625	\$1,229,994
233,800	235,310	259,542	250,116	261,656	298,904
11,676,147	11,834,517	12,300,819	13,064,052	13,725,477	13,989,513
2,329,437	2,370,531	2,457,963	2,610,264	2,744,108	2,795,086
584,169	586,337	615,181	653,362	686,336	700,042
973,611	977,219	1,025,298	1,088,937	1,143,893	1,163,883
307,338	407,401	188,951	383,030	436,300	466,536
1,148,782	677,305	842,806	950,315	950,770	1,006,828
0	0	1,000	19,015	4,250	1,100
195,099	300,227	154,421	55,972	35,591	758,255
0	0	15,826	36,925	4,507	16,400
0	0	0	0	0	320,048
1,079,252	1,223,546	1,728,278	324,512	267,079	267,010
19,498,909	19,583,996	20,666,594	20,471,726	21,358,592	23,013,599
0	0	0	0	0	0
30,900	0	4,840	6,911	0	0
223,403	200,029	361,941	101,287	87,384	149,784
254,303	200,029	366,781	108,198	87,384	149,784
19,753,212	19,784,025	21,033,375	20,579,924	21,445,976	23,163,383
(28,642)	(28,649)	(30,000)	(20,000)	(10,000)	(16,250)
28,642	28,649	30,000	20,000	10,000	16,250
(3,578,877)	6,577,640	1,042,588	9,758,749	6,526,328	(151,373)
(23,434)	(894,676)	98,606	680,851	533,808	641,484
(\$3,602,311)	\$5,682,964	\$1,141,194	\$10,439,600	\$7,060,136	\$490,111

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

	2014	2015	2016	2017
<b>General Fund</b>				
Nonspendable	\$248,463	\$261,226	\$255,045	\$274,376
Committed	87,271	51,286	34,567	45,329
Assigned	0	0	18,453	14,853
Unassigned	1,948,943	2,663,924	3,369,441	4,975,561
<b>Total General Fund</b>	<b>2,284,677</b>	<b>2,976,436</b>	<b>3,677,506</b>	<b>5,310,119</b>
<b>All Other Governmental Funds</b>				
Nonspendable	110,275	90,886	78,331	58,844
Restricted	2,203,639	2,356,673	4,493,423	5,919,152
Assigned	5,765	5,765	5,765	5,765
Unassigned (Deficit)	(52,204)	(415,703)	0	0
<b>Total All Other Governmental Funds</b>	<b>2,267,475</b>	<b>2,037,621</b>	<b>4,577,519</b>	<b>5,983,761</b>
<b>Total Governmental Funds</b>	<b>\$4,552,152</b>	<b>\$5,014,057</b>	<b>\$8,255,025</b>	<b>\$11,293,880</b>

2018	2019	2020	2021	2022	2023
\$508,499	\$473,492	\$481,612	\$576,755	\$617,578	\$667,328
54,278	145,715	66,749	41,631	17,527	66,433
11,420	131,006	50,034	747,692	684,625	2,464,981
4,256,839	4,335,761	5,060,523	5,525,123	5,637,316	5,792,966
4,831,036	5,085,974	5,658,918	6,891,201	6,957,046	8,991,708
178,409	211,833	187,859	217,430	185,544	215,756
5,096,903	4,662,336	6,591,541	9,355,210	9,079,544	10,012,923
5,765	5,765	5,765	5,765	5,765	5,765
0	0	0	0	(121,928)	(66,601)
5,281,077	4,879,934	6,785,165	9,578,405	9,148,925	10,167,843
\$10,112,113	\$9,965,908	\$12,444,083	\$16,469,606	\$16,105,971	\$19,159,551

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

	2014	2015	2016	2017
<b>Revenues</b>				
Property Taxes	\$1,075,485	\$1,077,820	\$1,088,547	\$1,130,743
Income Taxes	11,303,794	12,109,853	14,148,768	15,173,267
Other Local Taxes	262,223	290,727	304,959	375,388
Special Assessments	3,752	5,863	11,566	30,676
Charges for Services	5,255,945	5,423,454	5,138,328	5,555,170
Fines, Licenses and Permits	1,734,819	1,844,592	1,917,514	1,990,345
Intergovernmental	3,465,617	4,237,598	3,531,008	3,765,473
Investment Earnings	17,177	14,841	49,563	82,206
Contributions and Donations	0	0	26,900	1,310
Other	767,139	701,553	877,828	1,278,970
<i>Total Revenues</i>	<u>23,885,951</u>	<u>25,706,301</u>	<u>27,094,981</u>	<u>29,383,548</u>
<b>Expenditures</b>				
<i>Current:</i>				
General Government	5,202,316	5,483,348	5,589,191	5,941,369
<i>Security of Persons and Property:</i>				
Police	5,072,888	4,888,702	5,514,183	5,675,008
Fire	5,171,591	4,923,945	5,194,391	5,584,702
Public Health	0	0	0	0
Leisure Time Services	613,047	618,742	690,016	738,995
Community Environment	299,055	146,428	94,711	121,045
Basic Utility Services	1,101,188	907,781	929,540	904,387
Transportation	5,584,486	6,718,751	7,495,984	7,618,673
Intergovernmental	0	0	0	0
Capital Outlay	587,718	985,259	1,145,498	926,172
<i>Debt Service:</i>				
Principal	388,174	728,014	576,503	972,143
Interest	173,042	181,383	189,523	315,508
Issuance Costs	0	6,928	71,950	61,187
<i>Total Expenditures</i>	<u>24,193,505</u>	<u>25,589,281</u>	<u>27,491,490</u>	<u>28,859,189</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(307,554)</u>	<u>117,020</u>	<u>(396,509)</u>	<u>524,359</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,610,036	1,691,615	1,342,353	1,398,490
Refunding Bonds Issues	0	0	0	0
General Obligation Bonds Issued	0	260,000	3,436,417	2,065,000
Premium on Debt Issued	0	5,234	102,175	69,187
Issuance of Financed Purchase Agreements	0	0	0	0
Issuance of Notes	300,000	0	0	0
Proceeds from Loan	100,000	0	0	0
Proceeds from Sale of Capital Assets	0	16,559	40,128	650
Inception of Leases	19,025	74,924	87,291	415,238
Insurance Recoveries	0	0	0	0
Transfers Out	(1,635,479)	(1,703,447)	(1,370,887)	(1,434,069)
<i>Total Other Financing Sources (Uses)</i>	<u>393,582</u>	<u>344,885</u>	<u>3,637,477</u>	<u>2,514,496</u>
<i>Net Change in Fund Balances</i>	<u>\$86,028</u>	<u>\$461,905</u>	<u>\$3,240,968</u>	<u>\$3,038,855</u>
Debt Service as a Percentage of Noncapital Expenditures	2.5%	3.8%	3.3%	4.9%

2018	2019	2020	2021	2022	2023
\$1,197,651	\$1,203,759	\$1,295,297	\$1,306,056	\$1,327,214	\$1,515,472
15,424,214	16,170,025	15,782,117	17,249,172	18,458,566	18,699,726
307,338	407,401	186,925	385,056	436,300	466,536
20,615	2,046	21,001	5,536	24,961	24,151
7,862,987	9,123,404	6,928,411	6,859,559	7,946,606	7,532,954
3,908,580	1,158,374	1,510,481	1,487,031	1,648,523	1,754,310
4,277,837	4,521,163	7,418,390	6,814,093	6,388,112	8,118,861
195,099	300,244	154,558	44,984	10,652	657,491
14,567	85,369	26,000	167,254	5,970	1,525
1,079,252	1,223,546	1,715,946	320,693	264,557	273,351
34,288,140	34,195,331	35,039,126	34,639,434	36,511,461	39,044,377
6,414,195	6,882,988	5,376,220	5,736,409	6,569,951	6,675,974
6,074,087	7,447,345	6,333,217	5,917,806	6,642,206	7,457,944
5,742,723	6,187,289	6,286,349	6,150,286	7,033,253	6,491,900
0	0	37,500	0	38,427	29,997
780,745	821,085	687,027	737,484	974,692	1,194,108
45,526	472,525	788,578	45,015	237,671	311,671
1,731,054	1,038,883	1,297,758	1,395,414	1,432,342	1,416,573
9,775,658	10,895,234	7,616,845	7,526,910	8,864,674	8,749,428
0	0	0	0	0	200,000
1,106,668	1,032,446	2,647,251	3,099,347	3,817,703	4,550,816
1,204,417	1,254,179	3,999,091	1,149,362	1,266,737	1,227,652
311,543	269,019	307,433	233,359	231,090	199,932
0	16,031	80,085	0	0	46,400
33,186,616	36,317,024	35,457,354	31,991,392	37,108,746	38,552,395
1,101,524	(2,121,693)	(418,228)	2,648,042	(597,285)	491,982
1,644,833	2,119,601	1,375,665	1,234,596	1,230,040	1,793,319
0	0	2,785,000	0	0	0
297,889	1,391,000	0	1,232,390	0	2,041,400
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	200,000
85,844	5,197	15,826	36,925	4,507	16,400
3,025	0	8,514	128,166	239,143	0
0	0	0	0	0	320,048
(1,673,475)	(2,148,250)	(1,405,665)	(1,254,596)	(1,240,040)	(1,809,569)
358,116	1,975,488	2,896,403	1,377,481	233,650	2,561,598
\$1,459,640	(\$146,205)	\$2,478,175	\$4,025,523	(\$363,635)	\$3,053,580
5.0%	4.6%	13.1%	4.8%	4.5%	4.2%

**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
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
2023	506,022,170	1,445,777,629	43,041,130	48,910,375

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.

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Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Rate
\$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
549,063,300	1,494,688,004	36.73%	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*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Direct Tax Rate:</b>										
<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
<b>Overlapping Rates by Taxing District:</b>										
<i>Ross County Millage</i>										
Operating	12.50	12.50	12.80	12.70	13.70	13.70	14.20	14.20	14.20	14.20
<i>Total County Millage</i>	12.50	12.50	12.80	12.70	13.70	13.70	14.20	14.20	14.20	14.20
<i>Chillicothe City School District Millage</i>										
Operating	53.30	53.40	50.20	50.10	49.90	46.20	46.20	46.20	46.20	46.20
Debt Service	5.80	5.80	8.79	7.90	7.90	7.40	7.00	7.00	7.00	6.20
<i>Total School Millage</i>	59.10	59.20	58.99	58.00	57.80	53.60	53.20	53.20	53.20	52.40
<i>Other Millage</i>										
Operating	5.80	5.80	6.30	6.70	6.30	6.30	6.30	6.30	6.30	6.30
<i>Total Other Millage</i>	5.80	5.80	6.30	6.70	6.30	6.30	6.30	6.30	6.30	6.30
<b>Total Direct and Overlapping Millage</b>	80.60	80.70	81.29	80.60	81.00	76.80	76.90	76.90	76.90	76.10

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)
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
2023	1,691,872	1,636,506	96.73%	51,271

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
\$1,203,586	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%
1,687,777	99.76%	85,565	5.06%

**City of Chillicothe, Ohio**  
*Principal Taxpayers - Real Estate and PU-PP Tax*  
 2023 and 2014

2023		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$36,296,120	6.61%
Columbia Gas of Ohio	6,247,250	1.14%
Guernsey Crossing LLC	5,540,370	1.01%
Chillicothe TK Owner LLC	4,471,230	0.81%
Chillicothe Mall	4,176,010	0.76%
Agree Stores LLC	3,062,500	0.56%
Menards, Inc.	2,880,500	0.52%
Spirit Master Funding X LLC	2,553,130	0.46%
Zane Plaza LLC	2,338,710	0.43%
Sam's Real Estate Business	2,221,940	0.40%
Total	\$69,787,760	12.70%
Total Assessed Valuation	\$549,063,300	

2014		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
American Electric Power	\$19,697,670	4.98%
P.H. Glatfelter	13,760,430	3.48%
Chillicothe Mall Inc.	4,218,580	1.07%
DDR Chillicothe LLC	3,794,550	0.96%
Chillicothe Telephone	2,969,340	0.75%
Central Center LTD	2,929,970	0.74%
Sam's Real Estate Business	2,618,050	0.66%
Columbia Gas of Ohio	2,370,750	0.60%
Zane Plaza LLC	2,319,440	0.59%
K-Mart Corporation	2,310,010	0.58%
Total	\$56,988,790	14.41%
Total Assessed Valuation	\$395,365,840	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2023 and 2014 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
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%
2023	2.00%	19,508,203	15,339,257	78.63%	2,742,004	14.06%	1,426,942	7.31%

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	Financed Purchases	Leases
2014	\$4,550,000	\$0	\$300,000	\$100,000	\$0	\$167,163
2015	4,523,209	0	0	75,000	0	154,073
2016	7,604,636	0	0	50,000	0	136,767
2017	8,894,053	0	0	25,000	0	423,454
2018	8,110,851	0	0	0	0	301,892
2019	8,425,997	0	0	0	0	705,245
2020	7,490,730	0	0	0	0	516,053
2021	7,777,647	0	0	0	290,261	118,174
2022	6,651,410	0	0	0	181,576	293,606
2023	7,616,389	200,000	0	0	69,328	224,821

Source: City Auditor's Office

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Business-Type Activities

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General Obligation Bonds	Mortgage Revenue Bonds	Long Term Notes	OWDA Loans	Leases	Total Debt	Percentage of Personal Income	Per Capita
\$1,150,000	\$0	\$2,441,000	\$0	\$11,939	\$8,720,102	1.83%	\$398
3,231,255	0	0	0	8,644	7,992,181	1.64%	368
2,685,493	0	0	0	5,415	10,482,311	2.08%	479
2,134,732	0	0	0	1,323	11,478,562	2.29%	534
1,578,971	0	0	0	0	9,991,714	1.99%	456
1,828,967	0	0	0	5,628	10,965,837	2.00%	505
1,227,856	0	0	0	4,734	9,239,373	1.80%	425
1,062,847	0	0	0	3,491	9,252,420	1.91%	419
890,838	0	0	0	2,257	8,019,687	1.16%	364
1,335,249	0	0	11,544,991	934	20,991,712	2.79%	952

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to	
				Estimated Value of Taxable Property	Actual Net Bonded Debt per Capita
2014	21,899	\$1,091,376,635	\$5,700,000	0.52%	\$260
2015	21,738	1,074,884,509	7,754,464	0.72%	357
2016	21,901	1,090,202,412	10,290,129	0.94%	470
2017	21,499	1,132,186,986	11,028,785	0.97%	513
2018	21,901	1,164,249,979	9,689,822	0.83%	442
2019	21,717	1,178,078,214	10,254,964	0.87%	472
2020	21,722	1,254,203,105	8,718,586	0.70%	401
2021	22,059	1,271,957,409	8,840,494	0.70%	401
2022	22,009	1,288,370,541	7,542,248	0.59%	343
2023	22,059	1,494,688,004	8,951,638	0.60%	406

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, 2023*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Chillicothe</b>			
Leases	\$224,821	100.00%	\$224,821
General Obligation Bonds	<u>7,616,389</u>	100.00%	<u>7,616,389</u>
<i>Total Direct Debt</i>	<u>7,841,210</u>		<u>7,841,210</u>
<b>Overlapping</b>			
Ross County	8,407,210	30.98%	2,604,554
Chillicothe City Schools	32,493,072	91.65%	29,779,900
Scioto Township	<u>207,984</u>	82.74%	<u>172,086</u>
<i>Total Overlapping Debt</i>	<u>41,108,266</u>		<u>32,556,540</u>
<i>Total</i>	<u><u>\$48,949,476</u></u>		<u><u>\$40,397,750</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*

	2014	2015	2016	2017
Total Assessed Property Value	<u>\$395,365,840</u>	<u>\$389,834,240</u>	<u>\$395,508,700</u>	<u>\$409,684,250</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>\$41,513,413</u>	<u>\$40,932,595</u>	<u>\$41,528,414</u>	<u>\$43,016,846</u>
Debt Outstanding:				
General Obligation Bonds	4,550,000	4,495,000	7,479,813	8,715,822
General Obligation Bonds - Enterprise	1,150,000	3,170,000	2,635,000	2,095,000
General Obligation Revenue Bonds	0	0	0	0
OWDA Loans - Enterprise	0	0	0	0
OPWC Loans	0	0	0	0
Loan Payable	100,000	75,000	50,000	25,000
Notes Payable	2,741,000	0	0	0
Total Gross Indebtedness	<u>8,541,000</u>	<u>7,740,000</u>	<u>10,164,813</u>	<u>10,835,822</u>
Less:				
Notes Payable from Governmental Fund Revenues	300,000	0	0	0
Notes Payable from Enterprise Fund Revenues	2,441,000	0	0	0
Revenue Bonds Payable from Enterprise Fund Revenues	0	0	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,150,000	3,170,000	2,635,000	2,095,000
OWDA Loans Payable from Enterprise Fund Revenues	0	0	0	0
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0
Loan Payable from Governmental Fund Revenues	100,000	75,000	50,000	25,000
Bond Retirement Fund Balance	16,646	16,646	16,646	16,646
Total Net Debt Applicable to Debt Limit	<u>4,533,354</u>	<u>4,478,354</u>	<u>7,463,167</u>	<u>8,699,176</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$36,980,059</u>	<u>\$36,454,241</u>	<u>\$34,065,247</u>	<u>\$34,317,670</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.08%	89.06%	82.03%	79.78%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$21,745,121</u>	<u>\$21,440,883</u>	<u>\$21,752,979</u>	<u>\$22,532,634</u>
Total Gross Indebtedness	8,541,000	7,740,000	10,164,813	10,835,822
Less:				
Notes Payable from Governmental Fund Revenues	300,000	0	0	0
Notes Payable from Enterprise Fund Revenues	2,441,000	0	0	0
Revenue Bonds Payable from Enterprise Fund Revenues	0	0	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	1,150,000	3,170,000	2,635,000	2,095,000
OWDA Loans Payable from Enterprise Fund Revenues	0	0	0	0
OPWC Loan Payable from Governmental Fund Revenues	0	0	0	0
Loan Payable from Governmental Fund Revenues	100,000	75,000	50,000	25,000
Bond Retirement Fund Balance	16,646	16,646	16,646	16,646
Net Debt Within 5 1/2% Limitations	<u>4,533,354</u>	<u>4,478,354</u>	<u>7,463,167</u>	<u>8,699,176</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$17,211,767</u>	<u>\$16,962,529</u>	<u>\$14,289,812</u>	<u>\$13,833,458</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	79.15%	79.11%	65.69%	61.39%

Source: City Financial Records

2018	2019	2020	2021	2022	2023
\$426,628,840	\$434,027,460	\$460,604,470	\$468,624,000	\$475,811,750	\$549,063,300
\$44,796,028	\$45,572,883	\$48,363,469	\$49,205,520	\$49,960,234	\$57,651,647
7,958,881	8,187,848	7,168,733	7,487,545	6,393,204	7,387,985
1,550,000	1,749,000	1,150,000	989,000	821,000	1,269,600
0	0	0	0	0	0
0	0	0	0	0	11,544,991
0	0	0	0	0	200,000
0	0	0	0	0	0
0	0	2,140,000	0	0	0
9,508,881	9,936,848	10,458,733	8,476,545	7,214,204	20,402,576
0	0	0	0	0	0
0	0	2,140,000	0	0	0
0	0	0	0	0	0
1,550,000	1,749,000	1,150,000	989,000	821,000	1,269,600
0	0	0	0	0	11,544,991
0	0	0	0	0	200,000
0	0	0	0	0	0
110,707	232,642	228,332	232,332	232,332	232,332
7,848,174	7,955,206	6,940,401	7,255,213	6,160,872	7,155,653
\$36,947,854	\$37,617,677	\$41,423,068	\$41,950,307	\$43,799,362	\$50,495,994
82.48%	82.54%	85.65%	85.26%	87.67%	87.59%
\$23,464,586	\$23,871,510	\$25,333,246	\$25,774,320	\$26,169,646	\$30,198,482
9,508,881	9,936,848	10,458,733	8,476,545	7,214,204	20,402,576
0	0	0	0	0	0
0	0	2,140,000	0	0	0
0	0	0	0	0	0
1,550,000	1,749,000	1,150,000	989,000	821,000	1,269,600
0	0	0	0	0	11,544,991
0	0	0	0	0	200,000
0	0	0	0	0	0
110,707	232,642	228,332	232,332	232,332	232,332
7,848,174	7,955,206	6,940,401	7,255,213	6,160,872	7,155,653
\$15,616,412	\$15,916,304	\$18,392,845	\$18,519,107	\$20,008,774	\$23,042,829
66.55%	66.67%	72.60%	71.85%	76.46%	76.30%

**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	
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
2023	4,486,597	4,320,262	166,335	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)
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
2023	22,059	752,394,483	34,108	41.2	3,404	3.0%	549,063,300

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*

2023

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Pixelle	Paper Industry	1,014	3.21%
Wal-Mart	Retail	861	2.73%
Ross County	County Government	668	2.11%
Chillicothe City Schools	Education	468	1.48%
Lowe's	Retail	281	0.89%
City of Chillicothe	City Government	296	0.94%
Ohio University-Chillicothe	College Campus	248	0.79%
Menards	Retail	215	0.68%
Charter Communication	Cable TV/Internet	207	0.66%
Horizon Family of Companies	Communications	134	0.42%
Total		<u>4,392</u>	<u>13.91%</u>
Total Employment Within the City		<u>31,592</u>	<u>100.00%</u>

2014

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Glatfelter Paper Company	Paper Industry	1,301	3.17%
Ross County	County Government	922	2.25%
Wal-Mart	Retail	895	2.18%
Chillicothe City Schools	Education	601	1.47%
Ohio University-Chillicothe	College Campus	569	1.39%
City of Chillicothe	City Government	253	0.62%
Lowe's	Retail	232	0.57%
Horizon Family of Companies	Communications	163	0.40%
Time Warner	Cable TV/Internet	102	0.25%
American Electric Power	Utility center	18	0.04%
Total		<u>5,056</u>	<u>12.34%</u>
Total Employment Within the City		<u>40,993</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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government</b>										
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	1	2	1	2	2
Engineering Vehicles	9	8	7	3	6	3	3	6	4	4
Municipal Court Vehicles	2	3	4	2	3	3	3	3	3	4
Service Department Vehicles	36	40	43	42	34	37	34	40	34	37
<b>Police</b>										
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	32	38	39	31	39	35	30	32	29	36
<b>Fire</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Building	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476
Vehicles	27	26	26	19	20	15	15	16	15	15
<b>Recreation</b>										
Number of Parks	13	13	13	13	13	14	14	14	14	15
Number of Pools	1	1	1	1	1	3	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	6	6	6	6	6	6	6
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	23	25	25	26	20	25	25	26	26	26
Volleyball Courts	0	0	0	3	3	3	6	3	3	3
<b>Floodwall</b>										
Miles	5.0	5.0	5.0	5.0	5.0	5.0	5	5	5	5
<b>Transportation</b>										
Square Footage of Building	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	25,800
Vehicles	20	24	23	25	25	22	31	27	25	26
<b>Water Department</b>										
Water Lines (miles)	136	136	136	137	137	137	137	137	137	137
Vehicles	19	21	21	16	18	18	19	17	20	20
<b>Sewer Department</b>										
Sewer Lines/Storm Sewer (miles)	106	106	106	106	106	106	106	106	106	106
Vehicles	26	14	14	21	22	22	22	17	18	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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government</b>										
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	5.0	4.5	3.5	5.0	5.0	5.0	4.5	5.0
Income Tax	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Treasurer	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5
Mayor	3.5	3.5	3.5	4.0	4.0	5.0	4.5	2.5	4.5	3.5
Law Director	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Engineering	6.0	5.0	5.0	5.5	6.0	6.0	5.0	5.0	4.0	4.0
Civil Service	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Court	19.0	22.0	22.0	20.5	20.5	22.5	22.5	21.0	21.5	23.0
<b>Security of Persons and Property</b>										
Police	44.0	46.0	53.0	53.0	57.0	56.0	49.0	54.0	53.0	54.0
Fire	43.0	39.0	43.0	45.0	49.0	49.0	49.0	47.0	46.0	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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Leisure Time Activities</b>										
Parks	1.0	1.5	3.0	3.0	3.5	6.5	6.0	6.0	6.0	8.0
Recreation	5.0	3.5	4.0	5.0	3.5	0.0	0.0	0.0	0.0	0.0
<b>Transportation</b>										
Service	17.0	17.0	14.0	24.0	24.5	23.0	44.5	19.5	22.5	27.5
Transit	30.5	31.0	33.0	41.0	34.5	33.5	31.0	29.5	30.5	31.0
<b>Basic Utility Services</b>										
Water	26.5	26.0	26.5	25.5	27.0	23.0	19.0	27.0	29.0	28.0
Sewer	15.0	16.0	15.0	15.0	16.0	20.0	24.0	14.5	16.0	17.0
<b>Totals:</b>	<b>229.5</b>	<b>229.5</b>	<b>245.0</b>	<b>264.0</b>	<b>265.5</b>	<b>265.5</b>	<b>274.5</b>	<b>246.0</b>	<b>252.5</b>	<b>262.0</b>

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	2014	2015	2016	2017
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances Passed	115	133	95	115
Number of Resolutions Passed	16	16	17	28
Number of Planning Commission Docket Items	12	12	16	13
Zoning Board of Appeals Docket Items	9	18	21	18
Design and Review Board Docket Items	35	40	49	32
<i>Finance Department</i>				
Number of Checks/Vouchers Issued	5,144	5,289	4,798	5,221
Amount of Checks Written	\$34,821,093	\$34,912,698	\$29,655,614	\$29,523,145
Interest Earnings for fiscal year (cash basis)	\$16,882	\$15,131	\$46,212	\$56,528
Number of Receipts Issued	2,398	2,325	2,216	3,054
Agency Ratings - Moody's Financial Services	A2	A2	A2	A2
General Fund Receipts (cash basis)	\$16,173,260	\$16,385,326	\$18,509,640	\$19,797,937
General Fund Expenditures (cash basis)	\$16,583,845	\$16,002,738	\$17,918,806	\$18,218,572
General Fund Cash Balances	\$1,144,727	\$1,770,329	\$2,010,718	\$2,667,376
<i>Income Tax Department</i>				
Number of Individual Returns	5,979	6,489	6,251	6,383
Amount of Business Returns	1,899	2,022	2,082	1,982
Number of Business Withholding Accounts	2,127	2,086	2,239	2,224
Amount of Penalties and Interest Collected	\$61,556	\$119,010	\$69,032	\$78,576
Annual Number of Corporate Withholding Forms Processed	11,941	13,190	16,614	16,344
Annual Number of Balance Due Statements Forms Processed	1,403	1,658	1,356	1,528
Annual Number of Estimated Payment Forms Processed	1,378	1,576	1,696	1,502
Annual Number of Reconciliations of Withholding Processed	1,698	1,732	1,821	1,981
<i>Engineering Department</i>				
Dollar Amount of Construction Overseen by Engineer	\$1,200,000	\$1,200,000	\$1,200,000	\$1,893,070
<i>Municipal Court</i>				
Number of Civil Cases	1,292	1,311	1,392	1,793
Amount of Criminal Cases	3,348	3,082	3,853	4,228
Amount of Traffic Cases	9,617	9,267	9,934	9,547
Amount of Small Claims Cases	256	274	244	270

Source: Departments of the City of Chillicothe

2018	2019	2020	2021	2022	2023
115	117	111	85	94	85
14	17	21	20	34	41
16	17	12	23	12	15
36	2	35	26	39	49
38	1	45	43	33	34
5,138	5,117	4,413	4,744	4,406	5,959
\$31,016,337	\$34,277,502	\$34,757,308	\$34,895,010	\$24,923,706	\$52,091,030
\$155,123	\$224,871	\$171,107	\$90,614	\$102,374	\$388,299
2,819	2,858	2,333	2,403	2,642	2,014
A2	A2	A2	A2	A2	A2
\$19,910,249	\$21,997,479	\$22,152,856	\$20,860,120	\$23,005,681	\$26,102,519
\$20,592,475	\$22,269,346	\$21,647,982	\$21,377,947	\$27,074,625	\$27,418,589
\$2,926,904	\$2,655,036	\$4,620,058	\$4,102,231	\$4,761,627	\$5,152,726
6,984	6,870	6,053	6,013	5,803	5,018
2,094	2,043	1,990	2,432	2,020	1,892
2,422	2,498	2,119	17,932	2,669	2,606
\$94,785	\$122,118	\$83,617	\$77,602	\$72,328	\$72,574
16,188	16,604	17,353	17,932	19,903	20,342
1,499	1,309	1,270	1,192	1,274	1,135
1,427	1,642	1,457	1,916	2,247	1,906
1,926	1,840	2,020	1,969	2,057	2,003
\$1,101,149	\$1,868,803	\$1,542,231	\$2,108,000	\$2,067,445	\$3,080,796
2,161	2,141	1,489	1,545	1,727	1,882
4,302	4,333	3,093	2,763	2,683	2,521
7,926	7,269	6,239	7,513	7,598	6,921
263	191	167	152	187	175

(continued)

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

Function/Program	2014	2015	2016	2017
<i>Civil Service</i>				
Number of Police Entry Tests Administered	71	1	0	110
Number of Fire Entry Tests Administered	0	1	0	43
Number of Police Promotional Tests Administered	10	3	0	5
Number of Fire Promotional Tests Administered	0	2	0	0
Number of Hires of Police Officers from Certified Lists	2	7	8	1
Number of Hires of Fire/Medics Officers from Certified Lists	2	2	3	0
Number of Promotions from Police Certified Lists	1	4	0	0
Number of Promotions from Fire Certified Lists	2	1	2	0
<i>Building Department Indicators</i>				
Construction Permits Issued	12	11	16	6
Estimated Value of Construction	\$2,430,567	\$2,007,034	\$3,678,195	\$1,885,000
Number of Permits Issued	798	857	742	681
Amount of Revenue Generated from Permits	\$179,793	\$194,320	\$198,007	\$246,735
Number of Contractor Registrations Issued	300	297	350	185
Revenue Generated from Above	\$5,701	\$4,432	\$3,500	\$18,500
<i>Police Department</i>				
Total Calls for Service	23,245	24,557	27,700	28,304
Number of Traffic Citations Issued	2,465	1,978	2,795	3,070
Number of Parking Citations Issued	N/A	N/A	517	2,075
Number of Criminal Arrests	2,941	2,984	4,064	5,092
Number of Accident Reports Completed	1,375	1,289	1,262	1,147
DUI Arrests	85	97	183	139
Prisoner costs for room and board	\$0	\$0	\$0	\$0
Motor Vehicle Accidents	1,006	896	958	891
Property Damage Accidents	369	393	304	256
Fatalities from Motor Vehicle Accidents	0	1	1	0
Gasoline Costs of Fleet	\$107,862	\$53,367	\$51,510	\$69,487
DARE Program hours	1,600	1,600	1,600	1,600
<i>Fire Department</i>				
EMS Calls	4,893	4,866	5,316	5,399
Ambulance Billing Collections (net)	\$1,127,057	\$994,663	\$1,035,755	\$1,079,703
Fire Calls	692	840	997	919
Fires with Loss	29	39	69	62
Fires with Losses Exceeding \$10K	8	11	13	14
Fire Losses \$	\$393,201	\$515,667	\$696,453	\$550,870
Fire Safety Inspections	515	500	673	538
Number of Times Mutual Aid Given to Fire	0	4	11	21
Number of Times Mutual Aid Received for Fire	1	5	2	3
Number of Injuries Requiring Medical Attention	2	1	3	1
Fatalities Due to Fire	0	0	0	2

Source: Departments of the City of Chillicothe

2018	2019	2020	2021	2022	2023
0	1	44	39	0	0
0	0	29	0	1	1
0	0	5	5	1	1
8	0	2	0	2	0
3	1	4	7	6	6
5	1	2	0	0	0
0	0	3	1	1	1
2	3	2	0	0	0
7	19	20	20	15	7
\$1,955,994	\$5,002,821	\$97,584	\$5,542,841	\$5,312,477	\$2,000,607
412	469	428	387	450	617
\$38,865	\$45,238	\$39,496	\$35,654	\$42,115	\$43,311
260	313	320	335	229	234
\$26,000	\$15,381	\$32,000	\$33,500	\$22,900	\$23,400
29,802	28,433	26,338	26,986	26,127	19,335
3,255	2,375	1,332	684	1,000	1,239
282	733	553	1,406	510	518
5,098	5,497	2,379	2,762	2,508	2,252
1,095	1,122	1,194	618	1,117	1,057
141	132	67	66	70	86
\$0	\$0	\$0	\$0	\$0	\$0
886	891	882	618	1,117	1,057
209	231	312	0	0	0
0	0	1	2	0	0
\$83,286	\$82,073	\$0	\$66,058	\$86,752	\$78,852
1,700	1,700	1,500	1,203	826	0
5,737	5,920	5,457	6,039	6,154	5,630
\$1,042,483	\$1,080,824	\$992,139	\$1,143,171	\$1,211,730	\$1,170,847
927	844	1,077	1,065	1,087	1,087
61	47	46	31	44	31
14	22	9	8	22	10
\$1,067,371	\$1,321,350	\$277,050	\$533,955	\$1,010,045	\$341,330
993	1,378	739	976	1,297	1,563
3	3	3	9	1	2
9	12	8	6	17	12
5	4	1	2	2	0
0	1	0	0	3	0

(continued)

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

Function/Program	2014	2015	2016	2017
<b>Leisure Time Activities</b>				
<i>Recreation Department</i>				
Recreation Swimming Pool Receipts	\$71,006	\$61,315	\$77,083	\$87,426
Recreation Mens, Women and Chillicothe Leagues Receipts	\$0	\$0	\$4,700	\$1,400
Number of Tree License Issues	13	13	20	17
Amount of Revenue from Tree License	\$300	\$325	\$1,425	\$425
Total Acreage All Parks	876	876	876	876
<b>Transportation</b>				
<i>Street Construction &amp; State Highway</i>				
Street Sweeper (hours)	1,050	900	950	950
Cold Patch (hours)	2,080	2,000	2,050	2,050
Snow and Ice Removal (regular hours)	400	850	96	100
Snow and Ice Removal (overtime hours)	375	877	0	100
Leaf Collection (hours)	3,500	3,200	3,300	3,300
Downtown Square Repair after Events (hours)	75	70	75	80
Tons of Snow Melting Salt Purchased (Nov-Mar)	954	950	240	300
Cost of Salt Purchased	\$66,031	\$79,999	\$11,087	\$19,551
<b>Basic Utility Services</b>				
<i>Refuse Department</i>				
Refuse Disposal per year (in tons) August through July	7,548	7,514	7,654	6,799
Refuse Disposal cost per year August through July	\$268,151	\$281,235	\$286,413	\$254,407
<i>Water Department (2)</i>				
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	12.40	12.65	12.65	12.65
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	18.61	18.99	18.85	18.99
Total Water Collections Annually (including P&I)	\$4,236,920	\$4,160,214	\$4,407,356	\$4,062,891
Number of Active Customers	9,360	9,417	10,133	9,455
<i>WasteWater Department (3)</i>				
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	9.11	9.29	9.60	9.60
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	13.64	13.91	14.37	14.37
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	874.301	845.500	738.030	718.670
Tons of Dry Sludge Removed	391.840	346.000	373.460	300.060
Wastewater Calls for Service	230	109	204	240
After Hours Wastewater Calls for Service (hours)	330	142	326	320
Sewer Jet, Vac-all, other services (hours)	3,500	3,000	3,400	3,200

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).

2018	2019	2020	2021	2022	2023
\$82,525	\$78,357	\$0	\$76,954	\$102,829	\$98,156
\$9,375	\$1,400	\$2,500	\$0	\$2,000	\$1,580
16	10	7	8	10	2
\$400	\$250	\$165	\$276	\$250	\$50
876	877	877	877	877	878
800	800	850	700	825	875
2,400	2,200	2,400	2,000	2,150	2,000
856	900	900	450	335	325
650	650	126	150	115	110
3,500	3,500	3,500	350	3,500	3,500
70	80	75	90	120	150
950	930	800	864	262	345
\$43,871	\$40,213	\$34,592	\$55,312	\$49,930	\$27,469
7,231	7,683	7,713	8,487	8,492	8,293
\$251,642	\$295,027	\$308,520	\$358,224	\$370,545	\$368,962
12.65	12.65	12.65	7.99	7.99	8.15
18.99	18.99	18.99	12.00	12.00	12.24
\$4,564,948	\$4,224,463	\$4,179,476	\$4,246,328	\$4,567,748	\$4,567,748
10,318	10,205	10,160	10,381	9,760	9,709
9.99	10.45	10.39	6.98	6.98	7.54
15.25	15.64	15.64	10.46	10.46	11.30
828.050	679.378	852.473	879.650	1,202.000	1,094.899
270.000	270.000	434.850	79.780	379.000	464.640
260	250	230	153	166	154
340	330	320	280	326	308
3,400	3,300	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 9/24/2024**

65 East State 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](http://www.ohioauditor.gov)