

CITY OF CHILLICOTHE
ROSS COUNTY, OHIO
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024



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City 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, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 01, 2025

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City of Chillicothe
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City of Chillicothe
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Expenditures
U.S. Department of Housing and Urban Development <i>Passed through Ohio Department of Development:</i> Community Development Block Grants/Entitlement Grants	A-F-23-2AW-1	14.228	\$9,500
Total U.S. Department of Housing and Urban Development			9,500
U.S. Department of Justice <i>Passed through Ohio Office of the Attorney General:</i> Crime Victim Assistance Crime Victim Assistance <i>Total Crime Victim Assistance</i>	2024-VOCA-135499804 2025-VOCA-135898761	16.575 16.575	22,456 11,837 34,293
<i>Direct:</i> Bulletproof Vest Partnership Program	N	16.607	3,341
Total U.S. Department of Justice			37,634
U.S. Department of Transportation <i>Passed through Ohio Department of Transportation:</i> Formula Grants for Rural Areas and Tribal Transit Program Formula Grants for Rural Areas and Tribal Transit Program Formula Grants for Rural Areas and Tribal Transit Program Formula Grants for Rural Areas and Tribal Transit Program COVID-19 Formula Grants for Rural Areas and Tribal Transit Program COVID-19 Formula Grants for Other Than Urbanized Areas <i>Total Formula Grants for Rural Areas and Tribal Transit Program</i>	CARE-0096-064-214 CARE-0096-064-215 OH-2020-005 OH-2023-X01 096-RPTF-25-0100 096-RPTF-25-0200	20.509 20.509 20.509 20.509 20.509 20.509	84,577 84,577 1,322,611 190,354 1,273,785 193,838 3,149,742
Total U.S. Department of Transportation			3,149,742
U.S. Department of the Treasury COVID-19 Coronavirus State and Local Fiscal Recovery Funds <i>Passed through Ross County</i> COVID-19 Coronavirus State and Local Fiscal Recovery Funds <i>Passed through Ohio Department of Public Safety</i> COVID-19 Coronavirus State and Local Fiscal Recovery Funds -Chillicothe Community Policing Grants <i>Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i>	N N/A 2022-AR-LEP-920	21.027 21.027 21.027	251,323 16,008 806,139 1,073,470
Total U.S. Department of the Treasury			1,073,470
Total Federal Awards			\$4,270,346

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, 2024

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, 2024. 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025, wherein we noted the City implemented GASB Statement No. 101, corrected a previously reported receivable balance and restated its December 31, 2023 net position balance.

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 2024-001 and 2024-002 that we consider to be material weaknesses.

City of Chillicothe, Ohio

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

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Report on Compliance and Other Matters

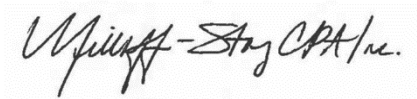
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-003 and 2024-004.

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 30, 2025

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 and Unmodified Opinions

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 each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are 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 and Unmodified Opinions 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, 2024.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Qualified and Unmodified Opinions

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 and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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 2024-005 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 each 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 2024-005 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.

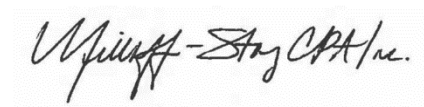
City of Chillicothe

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2025, which contained unmodified opinions on those financial statements, and wherein we noted the City implemented GASB Statement No. 101, corrected an error in a previously reported receivable balance and restated its December 31, 2023 net position balance. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 30, 2025

City of Chillicothe
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

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?	Yes
<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 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027 Unmodified - COVID-19 Formula Grants for Rural Areas and Tribal Urbanized Areas, AL #20.509
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; COVID-19 Formula Grants for Rural Areas and Tribal Urbanized Areas, AL #20.509
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2024-001 – Material Weakness – Financial Statement Presentation

A monitoring system by the City should be in place to prevent or detect misstatements to help ensure the accurate presentation of the City’s financial statements. Errors were identified in the appropriation amounts in the Street Construction Maintenance and Repair fund and Bus Transit fund budgetary statements. These errors were corrected in the financial statements. Additionally, we noted immaterial errors in fund balance classifications within the General fund, an unrecorded liability, and understatements of appropriations and actual expenses in the American Rescue Plan Act budgetary schedule. Correction of these errors was waived by the audit team and management. The City should implement monitoring procedures over the financial reporting process to ensure that financial information presented is fairly stated.

Client Response:

See accompanying corrective action plan.

City of Chillicothe
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Finding 2024-002 – 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 material variances between final budgetary filings and system totals in estimated resources in the General fund, Street Construction Maintenance and Repair fund, Bus Transit fund, and Sewer fund and an immaterial variance between the final budgetary filings and the system reports in the Water fund. We noted material variances between final budgetary filings and system totals in final appropriations in the Street Construction Maintenance and Repair fund and Sewer fund and immaterial variances between the final budgetary filings and the system reports in the Bus Transit fund and Water fund. We noted material variances between final budgetary filings and system totals in beginning fund balances in the Street Construction Maintenance and Repair fund, Bus Transit fund, and Sewer fund and an immaterial variance between the final budgetary filings and the system reports in the Water fund. Ineffective budgetary controls increase the risk of improper spending and reliance on misinformation. The City should implement the appropriate procedures to ensure that all authorized budgetary amendments are properly recorded in the accounting system and review amended certificates received from the County to ensure it agrees to Council approved amounts.

Client Response:

See accompanying corrective action plan.

Finding 2024-003 – Noncompliance – Appropriations in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total estimated resources. We noted the City had appropriations in excess of estimated resources in the Parks and Recreation fund, HUD fund, Fire Pension fund, Capital Improvement fund, Safety Levy Capital fund, Parks and Recreation Capital fund, Landfill Closure fund, Streetscape fund, and Postage Rotary fund. The City should implement the appropriate procedures, such as periodic comparisons of estimated resources to appropriations, to ensure that appropriations are limited to estimated resources to ensure improper spending does not occur.

Client Response:

See accompanying corrective action plan.

Finding 2024-004 – Noncompliance –Expenditures in Excess of Appropriations

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The City had expenditures in excess of appropriations at the legal level of control in the Street Construction Maintenance and Repair fund, the ARPA Violent Crimes fund, and the Sewer fund. The City should monitor financial activity to ensure their expenditures do not exceed the amount appropriated.

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, 2024

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	COVID-19 Coronavirus State and Local Fiscal Recovery, AL #21.027		
Federal Award Number and Year	2024		
Federal Agency	United States Department of the Treasury		
Pass-Through Entity	N/A (Direct)		
Repeat Finding from Prior Audit?	Yes	Finding Number (if repeat)	2023-003

Finding 2024-005 – 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 all covered transactions. The City should implement additional procedures to ensure that vendors for all covered transactions are not on the suspended or debarred list.

Client Response:

See accompanying corrective action plan.



**CITY OF
CHILICOTHE**
CITY AUDITOR

KRISTAL SPETNAGEL

City Auditor

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City of Chillicothe
Corrective Action Plan
2 CFR Section 200.511(c)
For the Year Ended December 31, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The City will review audit trail reports monthly and ask departments to review monthly as well.	June 30, 2025	Kristal Spetnagel, City Auditor
2024-002	The City will reconcile to the County reports to ensure the County reports capture all transactions.	June 30, 2025	Kristal Spetnagel, City Auditor
2024-003	The City will reconcile budget to County reports to ensure the County is capturing all transactions.	June 30, 2025	Kristal Spetnagel, City Auditor
2024-004	The City will reconcile budgetary reports to ensure all transactions are accounted for on County reports.	June 30, 2025	Kristal Spetnagel, City Auditor
2024-005	The City will check SAM.gov for suspended or debarment vendors when making purchases with federal funds.	June 30, 2025	Kristal Spetnagel, City Auditor



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35 South Paint Street • Chillicothe, Ohio 45601



**CITY OF
CHILLICOTHE**
CITY AUDITOR

KRISTAL SPETNAGEL

City Auditor

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City of Chillicothe
Schedule of Prior Audit Findings
2 CFR Section 200.511(b)
For the Year Ended December 31, 2024

Finding Number	Finding Summary	Status	Additional Information
Finding 2023-001	Material Weakness – Financial Statement Presentation	Not Corrected.	Reissued as Finding 2024-001
Finding 2023-002	Material Weakness - Budgetary Information withing Accounting System	Not Corrected.	Reissued as Finding 2024-002
Finding 2023-003	Noncompliance/Material Weakness - Procurement, Suspension and Debarment	Not Corrected.	Reissued as Finding 2024-005



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City of Chillicothe, Ohio Annual Comprehensive Financial Report

For the Year Ended December 31, 2024



Kristal Spetnagel
Chillicothe City Auditor

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City of Chillicothe, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2024
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Annual Comprehensive Financial Report
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City of Chillicothe, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2024
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CHILlicothe
OHIO'S FIRST CAPITAL

KRISTAL SPETNAGEL
City Auditor

June 30, 2025

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

FROM: City Auditor Kristal Spetnagel and Staff

The Auditor's office is pleased to submit the Annual Financial Report (AFR) for the City of Chillicothe for the year ended December 31, 2024. This report, prepared by the City Auditor's Office, contains a comprehensive analysis of the City's financial position and activities for the year 2024. 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 Financial Comprehensive 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 2024 basic financial statements were audited by Millhuff-Stang, CPA, Inc. This audit was conducted according to generally accepted auditing standards and Government Auditing Standards and included a legal and financial compliance audit, a review of internal controls, and tests of transactions. The Independent Auditor's opinion letter is at the beginning of the financial section.

Reporting Entity

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

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

History and City Organization

The City of Chillicothe, the first capital of the State of Ohio, was founded in 1796 and served as Ohio's Capital twice from 1803 to 1809 and from 1812 to 1816. Located in Ross County, at the intersection of Routes 23, 35, and 50 approximately 45 miles south of Columbus, Ohio, Chillicothe covers 9.7 square miles and has approximately 21,895 citizens according to the 2024 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, 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 and Fire), 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 Micropolitan area in 2024 was 4.5%.

Other developments of note:

Significant retail development was ongoing throughout the city. During 2024, several new businesses evolved such as, Chipotle West, Epic Nails & Spa, Lievita's, Tippler's Wine & Rooftop Terrace, Rally House, Boba Ice House, Studio 4 Aesthetics, Buckeye Indian Grill, Cozy Corner Diner, Hite Auto Parts, Bella's Cards & Gifts, Café Chillicoffee, and The Smoking Gun.

The City of Chillicothe has several projects built into the budget for 2024 and 2025, 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.

2025 Subsequent Event

It is important to note that Pixelle Specialty Solutions LLC ("Pixelle") announced its intent to close the Chillicothe, Ohio mill on April 15, 2025. This news was then followed by a response on April 18, 2025 with an announcement to delay the closure of the Chillicothe, Ohio mill until the end of the year. Pixelle is the largest employer within the City of Chillicothe. The uncertainty of this event will significantly impact the budgeting process and long-term financial planning for years to come.

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 Financial Report (AFR) for the year ended December 31, 2023. 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 AFR 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-three consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Outstanding Achievement in Comprehensive Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Comprehensive Annual Financial Reporting to the City of Chillicothe for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2023. The Award for Outstanding Achievement in Comprehensive Annual Financial Reporting 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 an Award for Outstanding Achievement in Comprehensive Annual Financial Reporting, a government unit must publish a Comprehensive Annual Financial Reporting, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Comprehensive Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

Acknowledgement

This Annual Financial Report for the City of Chillicothe is the 34th 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,



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, 2023

Christopher P. Morill

Executive Director/CEO

City of Chillicothe, Ohio
Listing of Elected Officials
As of December 31, 2024

Mayor

Luke Feeney
Term Expires 12/31/27

City Council

Kevin Shoemaker
President
Term Expires 12/31/25

Lisa Bennett
1st Ward Council
Term Expires 12/31/25

Kathy Payne
2nd Ward Council
Term Expires 12/31/25

Deidra Nickerson
3rd Ward Council
Term Expires 12/31/25

Steve Barnes
4th Ward Council
Term Expires 12/31/25

Gregory McKeever
5th Ward Council
Term Expires 12/31/25

Julie Preston
6th Ward Council
Term Expires 12/31/25

Dustin Proehl
Council at Large
Term Expires 12/31/25

Julie Preston
Council at Large
Term Expires 12/31/25

Jeffrey Creed
Council at Large
Term Expires 12/31/25

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 12/31/27

City of Chillicothe, Ohio
Listing of Appointed Officials
As of December 31, 2024

City Engineer	Dean Carroll Dean.carroll@chillicotheoh.gov
Utilities Director	Nathan Prosch Nathan.Prosch@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	Doug Corcoran Doug.corcoran@chillicotheoh.gov
Clerk of Council	Kennedy Moss Kennedy.moss@chillicotheoh.gov
Assistant Law Director	John Judkins 740-774-4175
Assistant Law Director	Dustin Davidson 740-774-4175
Assistant Law Director	Jason Miller 740-774-4175
Assistant Law Director	Benjamin Sigall 740-774-4175

City of Chillicothe, Ohio
City Auditor's Staff
As of December 31, 2024

City Auditor	Kristal Spetnagel
Office Manager	Heidi Leasure
Tax Auditor	Julie Parker
System Administrator	Terri Brown
Accounting Clerk	Joanna Brown
Accounting Clerk	Lisa Downard
Accounting Clerk	MacKhia McCloskey
Auditor's Clerk	Lauren Baker

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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, 2024, 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, 2024, 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, 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 26 to the financial statements, the City implemented GASB Statement No. 101 and corrected a previously reported receivable balance. This implementation and correction resulted in a restatement of the December 31, 2023 net position as previously reported. We did not modify our opinion regarding these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

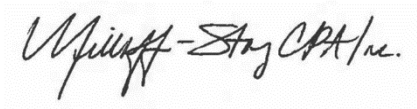
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 30, 2025

City of Chillicothe
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

The discussion and analysis of the City of Chillicothe's financial performance provides an overall review of its financial activities for the year ended December 31, 2024. 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 \$3,509,462; net position of the governmental activities increased \$1,873,040, and net position of the business-type activities increased \$1,636,422.
- The general fund balance of \$9,740,944 increased \$749,236 or 8 percent, from the previous year's balance of \$8,991,708. The general fund experienced an increase in the amount of recognizable income taxes and property taxes.

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 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, street construction maintenance and repair fund, and bus transit fund, which are considered to be major funds. Data from the other 22 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City 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	
	2024	Restated 2023	2024	2023	2024	Restated 2023
Assets						
Current and Other Assets	\$32,531,139	\$31,229,445	\$12,691,499	\$10,818,024	\$45,222,638	\$42,047,469
Capital Assets, Net	42,940,568	42,143,652	69,788,315	45,673,411	112,728,883	87,817,063
<i>Total Assets</i>	<i>75,471,707</i>	<i>73,373,097</i>	<i>82,479,814</i>	<i>56,491,435</i>	<i>157,951,521</i>	<i>129,864,532</i>
Deferred Outflows	13,271,385	17,063,445	1,550,814	2,676,633	14,822,199	19,740,078
Liabilities						
Current and Other Liabilities	4,510,275	5,383,434	679,244	360,766	5,189,519	5,744,200
<i>Long-Term Liabilities</i>						
Due Within One Year	2,871,155	1,966,639	413,061	371,969	3,284,216	2,338,608
Other Amounts Due in More Than One Year	7,674,540	7,833,191	36,988,164	13,165,092	44,662,704	20,998,283
Net Pension Liability	35,816,780	37,714,765	4,203,171	5,198,649	40,019,951	42,913,414
Net OPEB Liability	1,889,955	2,139,164	0	108,785	1,889,955	2,247,949
<i>Total Liabilities</i>	<i>52,762,705</i>	<i>55,037,193</i>	<i>42,283,640</i>	<i>19,205,261</i>	<i>95,046,345</i>	<i>74,242,454</i>
Deferred Inflows	5,133,035	6,137,393	256,539	64,356	5,389,574	6,201,749
Net Position						
Net Investment in Capital Assets	35,741,662	35,684,795	33,416,759	33,752,467	69,158,421	69,437,262
<i>Restricted for:</i>						
Debt Service	232,332	232,332	0	0	232,332	232,332
Capital Projects	5,694,703	4,712,312	618,466	618,466	6,313,169	5,330,778
Other Purposes	7,627,961	6,751,336	141,255	0	7,769,216	6,751,336
<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)	(18,452,684)	(18,122,197)	7,313,969	5,527,518	(11,138,715)	(12,594,679)
<i>Total Net Position</i>	<i>\$30,847,352</i>	<i>\$29,261,956</i>	<i>\$41,490,449</i>	<i>\$39,898,451</i>	<i>\$72,337,801</i>	<i>\$69,160,407</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, 2024 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

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pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

Current and other assets of governmental activities increased by \$1,301,694 or 4.17 percent due to increases in prepaid assets and income taxes receivables, as well as the recognition of net OPEB assets for the year, which was partially offset by decreases in cash and cash equivalents. Capital assets of the governmental activities increased \$796,916, or 1.89 percent, due to additions exceeding depreciation expense and disposals. Current and other liabilities decreased \$873,159 due to a reduction in unearned revenue reported for unspent American Rescue Plan Act and ARPA violent crimes grant proceeds held at year-end. Long-term liabilities decreased \$1,401,329 as a result of a decrease to the estimates for the net pension and OPEB liabilities and principal payments. This decrease was partially offset by an increase in amounts reported for due within one year for compensated absences.

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Current and other assets of business-type activities increased by \$1,873,475, or 17.32 percent, as a result of an increase in equity in pooled cash and cash equivalents. Capital assets increased by \$24,114,904, or 52.80 percent due to acquisitions for the year in excess of depreciation expense and disposals. Current and other liabilities of business-type activities increased \$318,478, or 88.28 percent, due to an increase in contracts payable. Long-term liabilities increased by \$22,759,901 as a result of additional draws on an OWDA loan, which was partially offset by decreases to estimates for net pension and OPEB liabilities.

The City's total net position increased from \$69,160,407 at the beginning of the year to \$72,337,801 at the end of the year, a change of \$3,177,394, or 4.59 percent. This increase is the result of an increase in the net position of the governmental activities of \$1,585,396, or 5.42 percent, and an increase in the net position of the business-type activities of \$1,591,998, or 4.11 percent. These changes do not include the impact of changes to beginning balances for the implementation of GASB Statement No. 101 as balances reported for 2023 were not adjusted due to the implementation of GASB 101 as per GASB 100, which does not allow for adjustments to previously reported balances in required supplementary information due to changes in accounting principles. See note 26 of the notes to the basic financial statements for additional information on restatements and adjustments to beginning balances.

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 2024 and 2023.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2024	2023	2024	2023	2024	2023
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$9,032,727	\$9,291,170	\$9,504,309	\$8,175,306	\$18,537,036	\$17,466,476
Operating Grants and Contributions	5,726,428	6,926,946	0	0	5,726,428	6,926,946
Capital Grants and Contributions	269,455	0	2,266,548	2,100,809	2,536,003	2,100,809
<i>Total Program Revenues</i>	15,028,610	16,218,116	11,770,857	10,276,115	26,799,467	26,494,231
<i>General Revenues:</i>						
Property Taxes	2,366,742	1,528,898	0	0	2,366,742	1,528,898
Income and Other Taxes	19,813,430	19,115,060	0	0	19,813,430	19,115,060
Unrestricted Grants and Entitlements	1,045,628	1,006,828	0	0	1,045,628	1,006,828
Unrestricted Contributions and Donations	18,150	1,100	0	0	18,150	1,100
Investment Earnings	1,060,694	758,255	0	0	1,060,694	758,255
Gain on Sale of Capital Assets	83,857	16,400	0	0	83,857	16,400
Insurance Recoveries	104,126	320,048	0	0	104,126	320,048
Other	265,826	267,010	69,417	149,784	335,243	416,794
<i>Total General Revenues</i>	24,758,453	23,013,599	69,417	149,784	24,827,870	23,163,383
<i>Total Revenues</i>	39,787,063	39,231,715	11,840,274	10,425,899	51,627,337	49,657,614

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Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
		Restated				Restated
	2024	2023	2024	2023	2024	2023
Program Expenses						
General Government	\$7,841,054	\$7,448,104	\$0	\$0	\$7,841,054	\$7,448,104
<i>Security of Persons and Property:</i>						
Police	8,405,125	8,456,979	0	0	8,405,125	8,456,979
Fire	8,016,749	7,922,093	0	0	8,016,749	7,922,093
Public Health	29,997	29,997	0	0	29,997	29,997
Leisure Time Services	1,297,785	1,349,042	0	0	1,297,785	1,349,042
Community Environment	612,356	625,414	0	0	612,356	625,414
Basic Utility Services	1,430,802	1,492,008	0	0	1,430,802	1,492,008
Transportation	9,996,337	11,879,627	0	0	9,996,337	11,879,627
Intergovernmental	0	200,000	0	0	0	200,000
Interest	268,818	213,574	0	0	268,818	213,574
Water and Sewer	0	0	10,218,852	9,800,665	10,218,852	9,800,665
<i>Total Expenses</i>	<i>37,899,023</i>	<i>39,616,838</i>	<i>10,218,852</i>	<i>9,800,665</i>	<i>48,117,875</i>	<i>49,417,503</i>
<i>Increase (Decrease) in Net Position Before Transfers</i>	<i>1,888,040</i>	<i>(385,123)</i>	<i>1,621,422</i>	<i>625,234</i>	<i>3,509,462</i>	<i>240,111</i>
Transfers In (Out)	(15,000)	(16,250)	15,000	16,250	0	0
<i>Changes in Net Position</i>	<i>1,873,040</i>	<i>(401,373)</i>	<i>1,636,422</i>	<i>641,484</i>	<i>3,509,462</i>	<i>240,111</i>
<i>Net Position at Beginning of Year</i>	<i>29,261,956</i>	<i>29,663,329</i>	<i>39,898,451</i>	<i>39,256,967</i>	<i>69,160,407</i>	<i>68,920,296</i>
<i>Implementation of GASB No. 101</i>	<i>(287,644)</i>	<i>0</i>	<i>(44,424)</i>	<i>0</i>	<i>(332,068)</i>	<i>0</i>
<i>Restated Net Position at Beginning of Year</i>	<i>28,974,312</i>	<i>29,663,329</i>	<i>39,854,027</i>	<i>39,256,967</i>	<i>68,828,339</i>	<i>68,920,296</i>
<i>Net Position at End of Year</i>	<i>\$30,847,352</i>	<i>\$29,261,956</i>	<i>\$41,490,449</i>	<i>\$39,898,451</i>	<i>\$72,337,801</i>	<i>\$69,160,407</i>

Governmental Activities

Governmental activities increased the City's net position by \$1,873,040. The City saw an increase in income tax, property tax, and investment earnings. Income taxes and property taxes increased due to an increase in revenues collected 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. These increases were partially offset by decreases in charges for services, primarily due to decreases in charges collected by the transit program. Expenses decreased between years primarily due to the City's decreased net pension and OPEB liabilities since these are netted against the City's functional expenses.

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Revenues
Governmental Activities

Revenue Source	Percentage of Total Revenues
Income and Other Taxes	49.80%
Operating Grants and Contributions	14.39%
Capital Grants and Contributions	0.68%
Charges for Services	22.70%
Property Taxes	5.95%
Unrestricted Grants and Entitlements	2.63%
Investment Earnings	2.66%
Other	1.19%
Total	<u>100.00%</u>

Of the \$39,787,063 in total revenues, income and other taxes accounted for 49.80 percent; charges for services accounted for 22.70 percent; operating grants and contributions accounted for 14.39 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 13.11 percent. The income and other tax revenue for 2024 was \$19,813,430, which was an increase of \$698,370, or 3.65 percent.

Expenses
Governmental Activities

Expenses by Function	Percentage of Total Expenses
General Government	20.69%
Police	22.18%
Fire	21.15%
Public Health	0.08%
Leisure Time Services	3.42%
Community Environment	1.61%
Basic Utility Services	3.78%
Transportation	26.38%
Interest	0.71%
Total	<u>100.00%</u>

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

Business-Type Activities

The business-type activities of the City, which include its water and sewer operations, increased the net position by \$1,636,422. 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 which was partially offset by a decrease in the net pension and OPEB liability.

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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 2024, the total fund balance for the general fund was \$9,740,944 of which \$7,788,171, or 79.95 percent, was unassigned.

During the current year, the fund balance of the general fund increased by \$749,236. The general fund experienced an increase in the amount of recognizable income taxes and property taxes.

At the end of 2024, the street construction maintenance and repair fund had a fund balance of \$1,257,019, which is a decrease of \$813,270. This was a result of an increase in transportation costs and a decrease in loan proceeds.

At the end of 2024, the bus transit fund had a fund balance of \$6,537,986, which is an increase of \$1,269,941. 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 \$855,909, or 3.95 percent. The decrease in the water fund's net position was due to an increase in expenses for personal services and contractual services.

During the current year, the net position of the sewer fund increased by \$2,473,208, or 13.86 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 personal services and contractual services.

These changes do not include the impact of changes to beginning balances for the implementation of GASB Statement No. 101 as discussed on page 21.

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 2024, 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 \$29,171,185 and the final budgeted revenues and other financing sources were \$32,342,495. The largest difference between the general fund's original budget and final budget was in interest revenue and transfers in. These lines increased \$565,187 and \$2,435,775, respectively. For the general fund, the original budgeted expenditures and other financing uses were \$31,672,706 and the final budgeted expenditures and other financing uses were \$33,147,817. The differences between the general fund's original budget and final amended budget of expenditures amounted to a \$1,475,111 increase, which included additional appropriations for transfers out. 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 \$621,998 and \$458,702, or 8.72 and 41.64 percent, respectively. This difference between budgeted and actual expenditures was

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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	
	2024	2023	2024	2023
Land	\$7,281,379	\$7,281,379	\$1,923,669	\$1,923,669
Construction in Progress	734,005	34,633	41,506,689	16,561,504
Land Improvements	484,197	488,335	56,237	43,770
Buildings, Structures, and Improvements	8,562,181	8,761,634	1,705,452	1,870,097
Plant and Facilities	0	0	8,930,043	9,437,563
Furniture, Fixture, and Equipment	4,979,125	4,131,204	667,908	455,350
Infrastructure	20,630,941	21,201,908	14,997,766	15,379,803
Intangible Right to Use Leased Equipment	268,740	244,559	551	1,655
Total	<u>\$42,940,568</u>	<u>\$42,143,652</u>	<u>\$69,788,315</u>	<u>\$45,673,411</u>

Total capital assets for governmental activities of the City for the year 2024 were \$42,940,568, or \$796,916 more than in 2023. 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 \$24,114,904 was due primarily to the current year current year acquisitions in excess of depreciation and disposals. The most significant acquisition was for continuing construction in progress on the City's sewer plant.

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

As of December 31, 2024, the City had \$20,402,576 in bonds and loans outstanding.

Long-Term Debt Obligations

	2024	2023
Governmental Activities		
2020 Various Purpose Refunding Bonds	\$2,135,000	\$2,270,000
2016 Street Improvement Bonds	660,000	975,000
2017 Street Improvements Bonds	0	230,000
2019 General Obligation Bonds	1,044,000	1,119,000
2021 Various Purpose Bonds	506,184	752,585
2023 Various Purpose Bonds	1,845,600	2,041,400
2024 Various Purpose Bonds	1,511,788	0
OPWC Loan	190,000	200,000
<i>Total Governmental Activities</i>	<u>7,892,572</u>	<u>7,587,985</u>
Business-Type Activities		
2019 Various Purpose Bonds	626,000	656,000
2023 Various Purpose Bonds	584,400	613,600
OWDA Loan	35,408,584	11,544,991
<i>Total Business-Type Activities</i>	<u>36,618,984</u>	<u>12,814,591</u>
<i>Total</i>	<u>\$44,511,556</u>	<u>\$20,402,576</u>

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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.

The County's overall legal debt margin was \$58,068,611 as of December 31, 2024.

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 \$13.3 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 2024, several new businesses evolved such as, Chipotle West, Epic Nails & Spa, Lievita's, Tippler's Wine & Rooftop Terrace, Rally House, Boba Ice House, Studio 4 Aesthetics, Buckeye Indian Grill, Cozy Corner Diner, Hite Auto Parts, Bella's Cards & Gifts, Café Chillicoffee, and The Smoking Gun.

The City of Chillicothe has several projects built into the budget for 2024 and 2025, 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.

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City of Chillicothe
Statement of Net Position
As of December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$18,453,672	\$9,896,013	\$28,349,685
Cash and Cash Equivalents in Segregated Accounts	84,504	0	84,504
Cash and Cash Equivalents with Fiscal Agents	3,192,215	0	3,192,215
Materials and Supplies Inventory	109,326	27,509	136,835
Accrued Interest Receivable	24,259	0	24,259
Accounts Receivable	864,803	1,486,769	2,351,572
Internal Balances	(343,671)	343,671	0
Intergovernmental Receivable	2,146,424	0	2,146,424
Prepaid Items	2,178,137	177,816	2,355,953
Income Taxes Receivable	3,574,490	0	3,574,490
Other Local Taxes Receivable	133,301	0	133,301
Property Taxes Receivable	1,674,558	0	1,674,558
Special Assessments Receivable	75,892	0	75,892
<i>Restricted Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466
Net OPEB Asset	363,229	141,255	504,484
Non-Depreciable Capital Assets	8,015,384	43,430,358	51,445,742
Depreciable Capital Assets, Net	34,925,184	26,357,957	61,283,141
<i>Total Assets</i>	<u>75,471,707</u>	<u>82,479,814</u>	<u>157,951,521</u>
Deferred Outflows of Resources:			
Pensions	11,788,246	1,422,797	13,211,043
OPEB	1,483,139	128,017	1,611,156
<i>Total Deferred Outflows of Resources</i>	<u>13,271,385</u>	<u>1,550,814</u>	<u>14,822,199</u>
Liabilities:			
Accounts Payable	1,099,433	244,853	1,344,286
Accrued Wages and Benefits Payable	708,459	146,407	854,866
Contracts Payable	25,418	194,138	219,556
Intergovernmental Payable	397,709	52,399	450,108
Matured Compensated Absences	28,553	38,141	66,694
Accrued Interest Payable	55,661	3,306	58,967
Claims Payable	895,912	0	895,912
Unearned Revenue	1,299,130	0	1,299,130
<i>Long-Term Liabilities:</i>			
Due Within One Year	2,871,155	413,061	3,284,216
<i>Due in More Than One Year:</i>			
Other Amounts Due in More Than One Year	7,674,540	36,988,164	44,662,704
Net Pension Liability	35,816,780	4,203,171	40,019,951
Net OPEB Liability	1,889,955	0	1,889,955
<i>Total Liabilities</i>	<u>52,762,705</u>	<u>42,283,640</u>	<u>95,046,345</u>
Deferred Inflows of Resources:			
Property Taxes	701,596	0	701,596
Pensions	2,403,976	174,979	2,578,955
OPEB	2,027,463	81,560	2,109,023
<i>Total Deferred Inflows of Resources</i>	<u>5,133,035</u>	<u>256,539</u>	<u>5,389,574</u>
Net Position:			
Net Investment in Capital Assets	35,741,662	33,416,759	69,158,421
Restricted for:			
Debt Service	232,332	0	232,332
Capital Outlay	5,694,703	618,466	6,313,169
Street Maintenance and Repair	1,775,753	0	1,775,753
State Grants	380,199	0	380,199
Indigent Drivers Alcohol Treatment Program	386,116	0	386,116
Bus Transit	3,749,691	0	3,749,691
OneOhio Opioid Program	300,490	0	300,490
Net OPEB Asset	363,229	141,255	504,484
Unclaimed Monies	155,364	0	155,364
Other Purposes	517,119	0	517,119
<i>Permanent Fund Purpose:</i>			
Expendable	2,378	0	2,378
Nonexpendable	1,000	0	1,000
Unrestricted (Deficit)	(18,452,684)	7,313,969	(11,138,715)
<i>Total Net Position</i>	<u>\$30,847,352</u>	<u>\$41,490,449</u>	<u>\$72,337,801</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, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$7,841,054	\$1,830,798	\$208,491	\$0
<i>Security of Persons and Property:</i>				
Police	8,405,125	249,659	809,789	1,537
Fire	8,016,749	1,494,589	159,570	0
Public Health	29,997	0	0	0
Leisure Time Services	1,297,785	151,120	58,939	209
Community Environment	612,356	12,693	9,521	0
Basic Utility Services	1,430,802	2,189,604	0	0
Transportation	9,996,337	3,104,264	4,480,118	267,709
Interest	268,818	0	0	0
<i>Total Governmental Activities</i>	<u>37,899,023</u>	<u>9,032,727</u>	<u>5,726,428</u>	<u>269,455</u>
Business-Type Activities:				
Water	5,545,515	4,686,235	0	5,995
Sewer	4,673,337	4,818,074	0	2,260,553
<i>Total Business-Type Activities</i>	<u>10,218,852</u>	<u>9,504,309</u>	<u>0</u>	<u>2,266,548</u>
Total	<u>\$48,117,875</u>	<u>\$18,537,036</u>	<u>\$5,726,428</u>	<u>\$2,536,003</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, As Previously Reported

Restatement for Implementation of New Accounting Prounouncement

Restatement for Prior Year Correction

Net Position Beginning of Year, As Restated

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$5,801,765)	\$0	(\$5,801,765)
(7,344,140)	0	(7,344,140)
(6,362,590)	0	(6,362,590)
(29,997)	0	(29,997)
(1,087,517)	0	(1,087,517)
(590,142)	0	(590,142)
758,802	0	758,802
(2,144,246)	0	(2,144,246)
(268,818)	0	(268,818)
(22,870,413)	0	(22,870,413)
0	(853,285)	(853,285)
0	2,405,290	2,405,290
0	1,552,005	1,552,005
(22,870,413)	1,552,005	(21,318,408)
1,909,222	0	1,909,222
457,520	0	457,520
14,505,173	0	14,505,173
2,900,724	0	2,900,724
815,431	0	815,431
1,118,639	0	1,118,639
473,463	0	473,463
1,045,628	0	1,045,628
18,150	0	18,150
1,060,694	0	1,060,694
83,857	0	83,857
104,126	0	104,126
265,826	69,417	335,243
24,758,453	69,417	24,827,870
(15,000)	15,000	0
24,743,453	84,417	24,827,870
1,873,040	1,636,422	3,509,462
29,511,956	39,898,451	69,410,407
(287,644)	(44,424)	(332,068)
(250,000)	0	(250,000)
28,974,312	39,854,027	68,828,339
\$30,847,352	\$41,490,449	\$72,337,801

City of Chillicothe
Balance Sheet
Governmental Funds
As of December 31, 2024

	General	Street Construction Maintenance and Repair	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$7,316,581	\$934,343	\$5,668,932	\$4,274,473	\$18,194,329
Cash and Cash Equivalents in Segregated Accounts	83,052	0	0	1,452	84,504
Materials and Supplies Inventory	82,975	5,619	20,699	33	109,326
Accrued Interest Receivable	24,259	0	0	0	24,259
Accounts Receivable	441,337	0	422,025	1,441	864,803
Interfund Receivable	250,000	0	0	0	250,000
Intergovernmental Receivable	557,240	650,190	813,721	125,273	2,146,424
Prepaid Items	505,269	17,157	65,155	1,590,556	2,178,137
Income Taxes Receivable	2,680,869	357,449	178,724	357,448	3,574,490
Other Local Taxes Receivable	133,301	0	0	0	133,301
Property Taxes Receivable	1,348,754	0	0	325,804	1,674,558
Special Assessments Receivable	75,892	0	0	0	75,892
Restricted Cash and Cash Equivalents	155,364	0	0	0	155,364
<i>Total Assets</i>	<u>\$13,654,893</u>	<u>\$1,964,758</u>	<u>\$7,169,256</u>	<u>\$6,676,480</u>	<u>\$29,465,387</u>
Liabilities:					
Accounts Payable	\$699,123	\$61,127	\$246,842	\$71,126	\$1,078,218
Accrued Wages and Benefits Payable	595,259	21,157	74,326	17,717	708,459
Contracts Payable	0	10,000	0	15,418	25,418
Intergovernmental Payable	154,135	8,904	29,719	204,951	397,709
Matured Compensated Absences	28,553	0	0	0	28,553
Interfund Payable	0	0	0	250,000	250,000
Unearned Revenue	0	0	0	1,299,130	1,299,130
<i>Total Liabilities</i>	<u>1,477,070</u>	<u>101,188</u>	<u>350,887</u>	<u>1,858,342</u>	<u>3,787,487</u>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year					
Operations	565,194	0	0	136,402	701,596
<i>Unavailable Revenue:</i>					
Property Taxes	101,651	0	0	23,920	125,571
Income Taxes	1,298,185	173,091	86,545	173,090	1,730,911
Grants and Entitlements	359,095	433,460	193,838	86,176	1,072,569
Fines, Licenses, and Permits	49,440	0	0	0	49,440
Special Assessments	63,314	0	0	0	63,314
<i>Total Unavailable Revenue</i>	<u>1,871,685</u>	<u>606,551</u>	<u>280,383</u>	<u>283,186</u>	<u>3,041,805</u>
<i>Total Deferred Inflows of Resources</i>	<u>2,436,879</u>	<u>606,551</u>	<u>280,383</u>	<u>419,588</u>	<u>3,743,401</u>
Fund Balances:					
Nonspendable	743,608	22,776	85,854	1,591,589	2,443,827
Restricted	0	1,234,243	6,452,132	2,801,196	10,487,571
Committed	424,068	0	0	0	424,068
Assigned	785,097	0	0	5,765	790,862
Unassigned	7,788,171	0	0	0	7,788,171
<i>Total Fund Balances</i>	<u>9,740,944</u>	<u>1,257,019</u>	<u>6,537,986</u>	<u>4,398,550</u>	<u>21,934,499</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$13,654,893</u>	<u>\$1,964,758</u>	<u>\$7,169,256</u>	<u>\$6,676,480</u>	<u>\$29,465,387</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, 2024*

Total Governmental Fund Balances	\$21,934,499
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,940,568
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	125,571	
Income Taxes	1,730,911	
Grants and Entitlements	1,072,569	
Fines, Licenses and Permits	49,440	
Special Assessments	63,314	
Total	3,041,805	

Some interest is not due and payable in the current period and therefore is not reported in the funds.	(55,661)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Refunding Bonds	(2,135,000)	
General Obligation Bonds	(5,567,572)	
Premium on Bonds	(198,602)	
Financed Purchase Agreements	(46,987)	
Leases Payable	(230,317)	
OPWC Loan Payable	(190,000)	
Compensated Absences Payable	(2,177,217)	
Total	(10,545,695)	

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	11,788,246	
Deferred Outflows-OPEB	1,483,139	
Net OPEB Asset	363,229	
Net Pension Liability	(35,816,780)	
Net OPEB Liability	(1,889,955)	
Deferred Inflows-Pension	(2,403,976)	
Deferred Inflows-OPEB	(2,027,463)	
Total	(28,503,560)	

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.

2,035,396

Net Position of Governmental Activities	<u><u>\$30,847,352</u></u>
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See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Street Construction Maintenance and Repair	(Formerly Major) American Rescue Plan Act	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$1,908,366	\$0	\$0	\$0	\$457,496	\$2,365,862
Income Taxes	14,254,609	1,900,280	0	950,333	1,900,664	19,005,886
Other Local Taxes	473,463	0	0	0	0	473,463
Special Assessments	2,248	0	0	0	0	2,248
Charges for Services	4,358,599	0	0	2,509,952	229,126	7,097,677
Fines, Licenses, Permits, and Settlements	1,576,044	0	0	0	291,339	1,867,383
Intergovernmental	1,164,548	1,335,572	0	3,456,445	1,593,676	7,550,241
Interest	870,035	74	0	37	95	870,241
Change in Fair Value of Investments	54,691	0	0	0	0	54,691
Contributions and Donations	18,150	0	0	0	200	18,350
Other	226,651	1,209	0	19,881	18,088	265,829
<i>Total Revenues</i>	<i>24,907,404</i>	<i>3,237,135</i>	<i>0</i>	<i>6,936,648</i>	<i>4,490,684</i>	<i>39,571,871</i>
Expenditures:						
Current:						
General Government	7,100,764	0	0	0	41,425	7,142,189
<i>Security of Persons and Property:</i>						
Police	6,055,105	0	0	0	1,678,660	7,733,765
Fire	6,353,747	0	0	0	1,133,785	7,487,532
Public Health	29,997	0	0	0	0	29,997
Leisure Time Services	15,500	0	0	0	1,180,285	1,195,785
Community Environment	287,955	0	0	0	9,500	297,455
Basic Utility Services	1,392,003	0	0	0	0	1,392,003
Transportation	350,630	2,312,236	0	5,415,242	376,415	8,454,523
Capital Outlay	505,243	1,035,210	0	181,801	1,542,475	3,264,729
Debt Service:						
Principal	327,832	640,595	0	43,809	290,614	1,302,850
Interest	89,694	76,696	0	25,855	49,925	242,170
Issuance Costs	0	0	0	0	17,500	17,500
<i>Total Expenditures</i>	<i>22,508,470</i>	<i>4,064,737</i>	<i>0</i>	<i>5,666,707</i>	<i>6,320,584</i>	<i>38,560,498</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,398,934</i>	<i>(827,602)</i>	<i>0</i>	<i>1,269,941</i>	<i>(1,829,900)</i>	<i>1,011,373</i>
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	1,883,853	1,883,853
General Obligations Bonds Issued	0	0	0	0	1,511,788	1,511,788
Proceeds from Sale of Capital Assets	80,557	0	0	0	3,300	83,857
Insurance Recoveries	89,794	14,332	0	0	0	104,126
Inception of Lease	78,804	0	0	0	0	78,804
Transfers Out	(1,898,853)	0	0	0	0	(1,898,853)
<i>Total Other Financing Sources (Uses)</i>	<i>(1,649,698)</i>	<i>14,332</i>	<i>0</i>	<i>0</i>	<i>3,398,941</i>	<i>1,763,575</i>
<i>Net Change in Fund Balances</i>	<i>749,236</i>	<i>(813,270)</i>	<i>0</i>	<i>1,269,941</i>	<i>1,569,041</i>	<i>2,774,948</i>
<i>Fund Balances at Beginning of Year, As Previously Reported</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>
<i>Adjustment for Change in Major Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fund Balances at Beginning of Year, As Adjusted</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>
<i>Fund Balances at End of Year</i>	<i>\$9,740,944</i>	<i>\$1,257,019</i>	<i>\$0</i>	<i>\$6,537,986</i>	<i>\$4,398,550</i>	<i>\$21,934,499</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, 2024*

Net Change in Fund Balances - Total Governmental Funds	\$2,774,948
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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	3,264,729	
Current Year Depreciation	(2,417,175)	
Total		847,554

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.	(50,638)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:

Delinquent Property Taxes	880	
Income Taxes	334,081	
Other	(3)	
Grants and Entitlements	(509,136)	
Fines, Licenses and Permits	49,440	
Delinquent Special Assessments	15,979	
Total		(108,759)

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	1,302,850	
Total		1,302,850

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.	(38,950)
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Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:

General Obligation Bonds Issued	(1,511,788)	
Inception of Lease	(78,804)	
Total		(1,590,592)

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	(200,281)	
Amortization of Premiums on Debt Issued	29,802	
Total		(170,479)

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

Pensions	2,756,158	
OPEB	39,402	
Total		2,795,560

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	(3,779,215)	
OPEB	(81,189)	
Total		(3,860,404)

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.

Net Change in Net Position of Governmental Activities	\$1,873,040
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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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$1,258,048	\$1,258,045	\$1,258,133	\$88
Income Taxes	14,583,421	14,583,421	14,583,421	0
Other Local Taxes	470,000	470,000	457,248	(12,752)
Special Assessments	25,000	25,000	20,004	(4,996)
Charges for Services	4,093,248	4,093,248	4,215,374	122,126
Fines, Licenses, and Permits	1,639,775	1,639,775	1,635,010	(4,765)
Intergovernmental	1,101,023	1,101,023	1,095,205	(5,818)
Interest	0	565,187	591,111	25,924
Contributions and Donations	17,950	17,950	18,150	200
Other	70,713	70,713	57,176	(13,537)
<i>Total Revenues</i>	<i>23,259,178</i>	<i>23,824,362</i>	<i>23,930,832</i>	<i>106,470</i>
Expenditures:				
Current:				
General Government	7,622,998	7,757,011	7,135,013	621,998
<i>Security of Persons and Property</i>				
Police	6,104,672	6,062,579	6,017,869	44,710
Fire	6,296,321	6,296,321	6,275,047	21,274
Leisure Time Services	15,750	15,750	15,500	250
Community Environment	394,876	394,876	362,085	32,791
Basic Utility Services	1,476,904	1,476,904	1,457,989	18,915
Transportation	319,000	319,000	314,885	4,115
Capital Outlay	1,676,174	1,560,320	1,101,618	458,702
Debt Service:				
Principal	315,487	315,487	315,487	0
Interest	98,759	98,759	89,080	9,679
<i>Total Expenditures</i>	<i>24,320,941</i>	<i>24,297,007</i>	<i>23,084,573</i>	<i>1,212,434</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,061,763)</i>	<i>(472,645)</i>	<i>846,259</i>	<i>1,318,904</i>
Other Financing Sources (Uses)				
Transfers In	5,912,007	8,347,782	5,272,640	(3,075,142)
Proceeds from Sale of Capital Assets	0	80,557	80,557	0
Insurance Recoveries	0	89,794	89,794	0
Transfers Out	(7,351,765)	(8,850,810)	(7,693,493)	1,157,317
<i>Total Other Financing Sources (Uses)</i>	<i>(1,439,758)</i>	<i>(332,677)</i>	<i>(2,250,502)</i>	<i>(1,917,825)</i>
<i>Net Change in Fund Balances</i>	<i>(2,501,521)</i>	<i>(805,322)</i>	<i>(1,404,243)</i>	<i>(598,921)</i>
<i>Fund Balances at Beginning of Year</i>	<i>6,753,211</i>	<i>6,753,211</i>	<i>6,753,211</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>140,692</i>	<i>140,692</i>	<i>140,692</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$4,392,382</i>	<i>\$6,088,581</i>	<i>\$5,489,660</i>	<i>(\$598,921)</i>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,943,583	\$1,943,583	\$1,944,122	\$539
Intergovernmental	1,342,162	1,342,162	1,336,896	(5,266)
Interest	0	0	74	74
Other	2,600	7,600	1,209	(6,391)
<i>Total Revenues</i>	<i>3,288,345</i>	<i>3,293,345</i>	<i>3,282,301</i>	<i>(11,044)</i>
Expenditures:				
Current:				
Transportation	1,362,413	1,507,713	2,521,469	(1,013,756)
Capital Outlay	2,603,191	1,732,995	1,272,351	460,644
Debt Service:				
Principal	640,595	640,595	640,595	0
Interest	87,037	87,037	76,696	10,341
<i>Total Expenditures</i>	<i>4,693,236</i>	<i>3,968,340</i>	<i>4,511,111</i>	<i>(542,771)</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(1,404,891)</i>	<i>(674,995)</i>	<i>(1,228,810)</i>	<i>(553,815)</i>
Other Financing Sources (Uses)				
Transfers In	2,388,539	2,158,232	1,804,260	(353,972)
Insurance Recoveries	14,332	14,332	14,332	0
Transfers Out	(2,022,199)	(1,982,199)	(1,862,260)	119,939
<i>Total Other Financing Sources (Uses)</i>	<i>380,672</i>	<i>190,365</i>	<i>(43,668)</i>	<i>(234,033)</i>
<i>Net Change in Fund Balances</i>	<i>(1,024,219)</i>	<i>(484,630)</i>	<i>(1,272,478)</i>	<i>(787,848)</i>
<i>Fund Balances at Beginning of Year</i>	<i>1,781,169</i>	<i>1,781,169</i>	<i>1,781,169</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>176,493</i>	<i>176,493</i>	<i>176,493</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$933,443</i>	<i>\$1,473,032</i>	<i>\$685,184</i>	<i>(\$787,848)</i>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$972,193	\$972,193	\$972,253	\$60
Charges for Services	3,197,354	3,197,354	2,501,036	(696,318)
Intergovernmental	3,686,463	2,661,811	2,836,562	174,751
Interest	0	0	37	37
Other	24,990	24,990	19,881	(5,109)
<i>Total Revenues</i>	<u>7,881,000</u>	<u>6,856,348</u>	<u>6,329,769</u>	<u>(526,579)</u>
Expenditures:				
Current:				
Transportation	7,843,699	7,225,501	5,588,846	1,636,655
Capital Outlay	12,647	181,801	181,801	0
Debt Service:				
Principal	40,000	43,809	43,809	0
Interest	25,200	25,855	25,855	0
<i>Total Expenditures</i>	<u>7,921,546</u>	<u>7,476,966</u>	<u>5,840,311</u>	<u>1,636,655</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,546)	(620,618)	489,458	1,110,076
Other Financing Uses				
Transfers Out	(76,884)	(76,884)	(29,000)	47,884
<i>Total Other Financing Uses</i>	<u>(76,884)</u>	<u>(76,884)</u>	<u>(29,000)</u>	<u>47,884</u>
<i>Net Change in Fund Balances</i>	(117,430)	(697,502)	460,458	1,157,960
<i>Fund Balances at Beginning of Year</i>	5,197,772	5,197,772	5,197,772	0
<i>Prior Year Encumbrances Appropriated</i>	10,000	10,000	10,000	0
<i>Fund Balances at End of Year</i>	<u>\$5,090,342</u>	<u>\$4,510,270</u>	<u>\$5,668,230</u>	<u>\$1,157,960</u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2024

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Assets:				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,231,649	\$4,664,364	\$9,896,013	\$103,979
Cash and Cash Equivalents with Fiscal Agents	0	0	0	3,192,215
Materials and Supplies Inventory	19,730	7,779	27,509	0
Accounts Receivable	733,051	753,718	1,486,769	0
Prepaid Items	102,185	75,631	177,816	0
Total Current Assets	6,086,615	5,501,492	11,588,107	3,296,194
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	618,466	618,466	0
Net OPEB Asset	80,717	60,538	141,255	0
Non-Depreciable Capital Assets	1,885,405	41,544,953	43,430,358	0
Depreciable Capital Assets, Net	15,855,764	10,502,193	26,357,957	0
Total Noncurrent Assets	17,821,886	52,726,150	70,548,036	0
Total Assets	23,908,501	58,227,642	82,136,143	3,296,194
Deferred Outflows of Resources:				
Pensions	813,426	609,371	1,422,797	0
OPEB	71,021	56,996	128,017	0
Total Deferred Outflows of Resources	884,447	666,367	1,550,814	0
Liabilities:				
<i>Current:</i>				
Accounts Payable	74,339	170,514	244,853	21,215
Accrued Wages and Benefits Payable	68,498	77,909	146,407	0
Contracts Payable	0	194,138	194,138	0
Intergovernmental Payable	26,901	25,498	52,399	0
Matured Compensated Absences Payable	32,823	5,318	38,141	0
Accrued Interest Payable	1,653	1,653	3,306	0
Claims Payable	0	0	0	895,912
Compensated Absences Payable	245,908	104,753	350,661	0
General Obligation Bonds Payable	31,200	31,200	62,400	0
Total Current Liabilities	481,322	610,983	1,092,305	917,127
<i>Noncurrent:</i>				
Compensated Absences Payable-Net of Current Portion	373,317	11,945	385,262	0
General Obligation Bonds Payable-Net of Current Portion	597,159	597,159	1,194,318	0
OWDA Loans Payable - Net of Current Portion	0	35,408,584	35,408,584	0
Net Pension Liability	2,401,812	1,801,359	4,203,171	0
Total Noncurrent Liabilities	3,372,288	37,819,047	41,191,335	0
Total Liabilities	3,853,610	38,430,030	42,283,640	917,127
Deferred Inflows of Resources:				
Pensions	59,463	115,516	174,979	0
OPEB	46,606	34,954	81,560	0
Total Deferred Inflows of Resources	106,069	150,470	256,539	0
Net Position:				
Net Investment in Capital Assets	17,356,755	16,060,004	33,416,759	0
Restricted for:				
Capital Outlay	0	618,466	618,466	0
Net OPEB Asset	80,717	60,538	141,255	0
Unrestricted	3,395,797	3,574,501	6,970,298	2,379,067
Total Net Position	\$20,833,269	\$20,313,509	41,146,778	\$2,379,067

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

343,671

Net Position of Business-Type Activities

\$41,490,449

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, 2024

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Operating Revenues:				
Charges for Services	\$4,686,235	\$4,818,074	\$9,504,309	\$6,122,515
Other	68,500	917	69,417	0
<i>Total Operating Revenues</i>	<u>4,754,735</u>	<u>4,818,991</u>	<u>9,573,726</u>	<u>6,122,515</u>
Operating Expenses:				
Personal Services	1,954,264	1,397,750	3,352,014	0
Fringe Benefits	884,424	686,329	1,570,753	0
Contractual Services	1,224,102	1,710,069	2,934,171	1,180,413
Materials and Supplies	604,948	184,832	789,780	480,199
Claims	0	0	0	4,651,222
Depreciation	824,326	670,702	1,495,028	0
Other	13,613	0	13,613	0
<i>Total Operating Expenses</i>	<u>5,505,677</u>	<u>4,649,682</u>	<u>10,155,359</u>	<u>6,311,834</u>
<i>Operating Income (Loss)</i>	<u>(750,942)</u>	<u>169,309</u>	<u>(581,633)</u>	<u>(189,319)</u>
Nonoperating Revenues (Expenses)				
Interest Revenue	0	0	0	135,968
Interest Expense	(26,681)	(10,233)	(36,914)	0
Loss on Sale of Capital Assets	0	(1,278)	(1,278)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(26,681)</u>	<u>(11,511)</u>	<u>(38,192)</u>	<u>135,968</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(777,623)</u>	<u>157,798</u>	<u>(619,825)</u>	<u>(53,351)</u>
Capital Contributions	5,995	2,260,553	2,266,548	0
Transfers In	0	15,000	15,000	0
<i>Change in Net Position</i>	<u>(771,628)</u>	<u>2,433,351</u>	<u>1,661,723</u>	<u>(53,351)</u>
<i>Net Position Beginning of Year, As Previously Reported</i>	21,689,178	17,840,301	39,529,479	2,432,418
<i>Restatement for Implementation of New Accounting Prounouncement</i>	<u>(84,281)</u>	<u>39,857</u>	<u>(44,424)</u>	<u>0</u>
<i>Net Position Beginning of Year, As Restated</i>	<u>21,604,897</u>	<u>17,880,158</u>	<u>39,485,055</u>	<u>2,432,418</u>
<i>Net Position End of Year</i>	<u><u>\$20,833,269</u></u>	<u><u>\$20,313,509</u></u>	<u><u>41,146,778</u></u>	<u><u>\$2,379,067</u></u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Business-Type Activities			<u>(25,301)</u>	
Change in Net Position - Total Business-Type Activities			<u><u>\$1,636,422</u></u>	

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,690,168	\$4,635,105	\$9,325,273	\$6,122,515
Cash Received from Other Receipts	69,395	1,628	71,023	0
Cash Payments to Employees	(2,723,287)	(2,051,128)	(4,774,415)	0
Cash Payments for Claims	0	0	0	(4,523,536)
Cash Payments for Contractual Services	(1,235,442)	(1,620,048)	(2,855,490)	(1,180,413)
Cash Payments for Supplies and Materials	(572,245)	(181,664)	(753,909)	(469,834)
Cash Payments for Other Expenses	(13,613)	0	(13,613)	0
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>214,976</u>	<u>783,893</u>	<u>998,869</u>	<u>(51,268)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	0	15,000	15,000	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds Received from General Obligation Bonds and Loans	0	23,863,593	23,863,593	0
Principal Paid on Bonds and Leases	(30,534)	(29,600)	(60,134)	0
Interest Paid on Bonds and Leases	(27,666)	(27,641)	(55,307)	0
Cash Received to Acquire/Construct Capital Assets	5,995	2,260,553	2,266,548	0
Cash Paid to Acquire/Construct Capital Assets	(693,754)	(24,723,318)	(25,417,072)	0
<i>Net Cash Provided (Used) by Capital and Related Financing Activities</i>	<u>(745,959)</u>	<u>1,343,587</u>	<u>597,628</u>	<u>0</u>
Cash Flows from Investing Activities				
Investment Earnings	0	0	0	135,968
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>135,968</u>
<i>Net Change in Cash and Cash Equivalents</i>	<u>(530,983)</u>	<u>2,142,480</u>	<u>1,611,497</u>	<u>84,700</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,762,632</u>	<u>3,140,350</u>	<u>8,902,982</u>	<u>3,211,494</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$5,231,649</u></u>	<u><u>\$5,282,830</u></u>	<u><u>\$10,514,479</u></u>	<u><u>\$3,296,194</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(\$750,942)	\$169,309	(\$581,633)	(\$189,319)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>				
Depreciation Expense	824,326	670,702	1,495,028	0
<i>Changes in Assets, Liabilities, and Deferred Inflows/Outflows:</i>				
(Increase) Decrease in Accounts Receivable	3,933	(182,969)	(179,036)	0
Decrease in Intergovernmental Receivable	895	711	1,606	0
Decrease in Materials and Supplies Inventory	19,046	13,716	32,762	0
(Increase) Decrease in Prepaid Items	2,007	(3,363)	(1,356)	0
Increase in Net OPEB Asset	(80,717)	(60,538)	(141,255)	0
Decrease in Deferred Outflows of Resources	604,363	521,456	1,125,819	0
Increase in Accounts Payable	310	82,836	83,146	10,365
Increase in Accrued Wages and Benefits Payable	3,115	8,460	11,575	0
Decrease in Intergovernmental Payable	(7,104)	(2,536)	(9,640)	0
Increase in Compensated Absences Payable	37,176	36,757	73,933	0
Increase in Claims Payable	0	0	0	127,686
Decrease in Net Pension Liability	(466,408)	(529,070)	(995,478)	0
Decrease in Net OPEB Liability	(60,019)	(48,766)	(108,785)	0
Increase in Deferred Inflows of Resources	84,995	107,188	192,183	0
<i>Net Cash Provided (Used) by Operating Activities</i>	<u><u>\$214,976</u></u>	<u><u>\$783,893</u></u>	<u><u>\$998,869</u></u>	<u><u>(\$51,268)</u></u>

See accompanying notes to the basic financial statements.

City of Chillicothe
Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2024

Assets:

Equity in Pooled Cash and Cash Equivalents	\$38,013
Cash and Cash Equivalents in Segregated Accounts	<u>75,622</u>
<i>Total Assets</i>	<u>113,635</u>

Liabilities:

Intergovernmental Payable	<u>70,534</u>
<i>Total Liabilities</i>	<u>70,534</u>

Net Position:

Restricted for Individuals, Organizations, and Other Governments	<u>43,101</u>
<i>Total Net Position</i>	<u><u>\$43,101</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, 2024

Additions:

Fines and Forfeitures for Other Governments	\$2,384,750
<i>Total Additions</i>	<u>2,384,750</u>

Deductions:

Fines and Forfeitures Distributions to Other Governments	2,419,837
<i>Total Deductions</i>	<u>2,419,837</u>

<i>Change in Net Position</i>	(35,087)
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<i>Net Position at Beginning of Year</i>	<u>78,188</u>
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<i>Net Position at End of Year</i>	<u><u>\$43,101</u></u>
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See accompanying notes to the basic financial statements.

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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 25 of the notes to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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.

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
For the Year Ended December 31, 2024

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
For the Year Ended December 31, 2024

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

City of Chillicothe
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(OPEB). Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance year 2025 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.

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 2024 amounted to \$870,035, which includes \$653,144 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 25.

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 goods or services that will benefit periods beyond December 31, 2024 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
For the Year Ended December 31, 2024

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

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 follows the provisions of GASB Statement No. 101, "Compensated Absences." The City's employee vacation, compensatory time and sick policies generally provide for granting vacation and sick leave with pay in varying amounts. Benefits considered more likely than not to be used or settled as termination are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide and proprietary funds financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements.

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.

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

acquisition, construction, or improvement of those assets. Restricted net position for OPEB assets represents the corresponding restricted amounts held in trust by the OPEB plan for future benefits, net of related deferred outflows and inflows of resources.

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.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors. For 2024, distributions of \$249,659 are reported as fines, licenses, permits and settlements revenue in the OneOhio nonmajor special revenue fund in the accompanying financial statements.

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 government-wide statements, "internal balances" represent short-term interfund loans between governmental and business-type activities. Interfund services provided and used are not eliminated in the process of consolidation.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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 2024.

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, and bus transit fund:

	<u>Net Change in Fund Balance</u>		
	General	Street Construction Maintenance and Repair	Bus Transit
GAAP Basis	\$749,236	(\$813,270)	\$1,269,941
Adjustments:			
Net Adjustments for Revenue Accruals	(910,093)	45,166	(606,879)
Net Adjustments for Expenditure Accruals	221,046	(198,331)	(173,460)
Net Adjustments for Other Sources (Uses)	(488,804)	(58,000)	(29,000)
Encumbrances	(959,263)	(248,043)	(144)
<i>Perspective Differences:</i>			
Activity of Funds Reclassified for GAAP Reporting Purposes	(16,365)	0	0
Budget Basis	<u>(\$1,404,243)</u>	<u>(\$1,272,478)</u>	<u>\$460,458</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;
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.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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	\$29,125,167
Segregated	315,564
Reconciling items (net) to arrive at bank balances for deposits	<u>(274,441)</u>
<i>Total available for deposit and investment</i>	<u><u>\$29,166,290</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, 2024 was \$3,192,215. 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, 2024, the carrying amount of all City deposits, including deposits in segregated accounts, was \$24,423,009. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of December 31, 2024, the City's bank balance of \$24,697,450 was either covered by the Federal Deposit Insurance or collateralized by the financial institution's public entity deposit pools in the manner described below. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

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

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

Investments

As of December 31, 2024, the City had the following investment and maturity:

Investment Type	Fair Value	Maturity	% of Portfolio
Negotiable Certificates of Deposit	\$243,677	Less Than 1 Year	5.14%
Negotiable Certificates of Deposit	2,998,057	1 to 2 Years	63.21%
Negotiable Certificates of Deposit	<u>1,501,547</u>	3 to 5 Years	<u>31.65%</u>
Total	<u>\$4,743,281</u>		<u>100.00%</u>

City of Chillicothe
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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, 2024. The City’s investments are Level 1 inputs.

Note 5 – Receivables

Receivables at December 31, 2024 consisted of property and other taxes, municipal income taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental grants. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:

General Fund:

Local Government Distributions	\$502,997
Law Director Salary Subsidy	54,243
<i>Total General Fund</i>	<u>557,240</u>

Street Construction Maintenance and Repair Distributions	650,190
Bus Transit Grants	813,721

Nonmajor Governmental Funds:

State Highway Distributions	\$52,718
State Grants	38,524
Law Enforcement	823
Police and Fire Pension State Property Tax Reimbursements	17,200
Appalachian Community Grant	16,008
<i>Total Nonmajor Governmental Funds</i>	<u>125,273</u>

<i>Total Governmental Activities</i>	<u><u>\$2,146,424</u></u>
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City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Capital Assets

The following table provides a summary of the changes in capital assets during 2024 for the governmental activities:

	Balance 1/1/24	Additions	Deletions	Balance 12/31/24
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$7,281,379	\$0	\$0	\$7,281,379
Construction in Progress	34,633	699,372	0	734,005
Total Nondepreciable Capital Assets	7,316,012	699,372	0	8,015,384
<i>Depreciable Capital Assets:</i>				
Land Improvements	5,687,300	65,092	0	5,752,392
Buildings, Structures, and Improvements	22,416,797	126,011	0	22,542,808
Furniture, Fixtures, Equipment, and Vehicles	18,771,666	1,681,756	(1,508,810)	18,944,612
Infrastructure	73,120,405	613,694	0	73,734,099
Intangible Right to Use Leased Equipment	776,811	78,804	0	855,615
Total Depreciable Capital Assets	120,772,979	2,565,357	(1,508,810)	121,829,526
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(5,198,965)	(69,230)	0	(5,268,195)
Buildings, Structures, and Improvements	(13,655,163)	(325,464)	0	(13,980,627)
Furniture, Fixtures, Equipment, and Vehicles	(14,640,462)	(783,197)	1,458,172	(13,965,487)
Infrastructure	(51,918,497)	(1,184,661)	0	(53,103,158)
Intangible Right to Use Leased Equipment	(532,252)	(54,623)	0	(586,875)
Total Accumulated Depreciation/Amortization	(85,945,339)	(2,417,175)	1,458,172	(86,904,342)
Total Capital Assets Being Depreciated/ Amortized, Net	34,827,640	148,182	(50,638)	34,925,184
<i>Governmental Activities Capital Assets, Net</i>	<u>\$42,143,652</u>	<u>\$847,554</u>	<u>(\$50,638)</u>	<u>\$42,940,568</u>

Of the current year depreciation/amortization total of \$2,417,175, \$54,623 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, \$25,523 is recorded as general government, \$252 as security of persons and property-police, \$24,977 as security of persons and property-fire and \$3,871 as transportation. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

Governmental Activities:	
General Government	\$399,705
<i>Security of Persons and Property:</i>	
Police	97,686
Fire	70,263
Transportation	1,456,164
Community Environment	314,901
Leisure Time Services	78,456
<i>Total Depreciation/Amortization Expense</i>	<u>\$2,417,175</u>

The following table provides a summary of the changes in capital assets during 2024 for the business-type activities:

	Balance 1/1/24	Additions	Deletions	Balance 12/31/24
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,923,669	\$0	\$0	\$1,923,669
Construction in Progress	16,561,504	24,945,185	0	41,506,689
Total Nondepreciable Capital Assets	18,485,173	24,945,185	0	43,430,358
<i>Depreciable Capital Assets:</i>				
Land Improvements	346,720	16,176	0	362,896
Buildings, Structures, and Improvements	5,964,959	0	0	5,964,959
Plant and Facilities	26,204,322	0	0	26,204,322
Furniture, Fixtures, Equipment, and Vehicles	4,668,610	385,895	0	5,054,505
Infrastructure	32,254,632	263,954	(9,179)	32,509,407
Intangible Right to Use Leased Equipment	6,621	0	0	6,621
Total Depreciable Capital Assets	69,445,864	666,025	(9,179)	70,102,710
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(302,950)	(3,709)	0	(306,659)
Buildings, Structures, and Improvements	(4,094,862)	(164,645)	0	(4,259,507)
Plant and Facilities	(16,766,759)	(507,520)	0	(17,274,279)
Furniture, Fixtures, Equipment, and Vehicles	(4,213,260)	(173,337)	0	(4,386,597)
Infrastructure	(16,874,829)	(644,713)	7,901	(17,511,641)
Intangible Right to Use Leased Equipment	(4,966)	(1,104)	0	(6,070)
Total Accumulated Depreciation/Amortization	(42,257,626)	(1,495,028)	7,901	(43,744,753)
Total Capital Assets Being Depreciated/ Amortized, Net	27,188,238	(829,003)	(1,278)	26,357,957
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$45,673,411</u>	<u>\$24,116,182</u>	<u>(\$1,278)</u>	<u>\$69,788,315</u>

Of the current year depreciation/amortization total of \$1,495,028, \$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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 – Long-Term Obligations

The City's long-term obligations activity for the year ended December 31, 2024 was as follows:

	Restated Balance 1/1/24	Additions	Deletions	Balance 12/31/24	Due Within One Year
Governmental Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$2,785,000, 3.00%, 2020-2041					
Serial Bonds	\$230,000	\$0	(\$135,000)	\$95,000	\$95,000
Term Bonds	2,040,000	0	0	2,040,000	0
Issuance Premium on Bonds	99,411	0	(5,574)	93,837	0
Total GO Refunding Bonds	2,369,411	0	(140,574)	2,228,837	95,000
<i>General Obligation Bonds:</i>					
Street Improvement Project (2016)					
\$3,000,000, 2.52%, 2016-2026	975,000	0	(315,000)	660,000	325,000
Issuance Premium on Bonds	30,653	0	(10,218)	20,435	0
Street Improvement Project (2017)					
\$1,490,000, 2.49%, 2017-2024	230,000	0	(230,000)	0	0
Issuance Premium on Bonds	8,388	0	(8,388)	0	0
2019 General Obligation Bonds \$1,391,000, 4.0%, 2019-2039	1,119,000	0	(75,000)	1,044,000	53,000
Issuance Premium on Bonds	89,952	0	(5,622)	84,330	0
<i>Various Purpose Bonds:</i>					
\$1,232,390, 1.80%, 2021-2026					
Land Acquisition Bonds	183,202	0	(59,981)	123,221	61,061
Vehicle and Equipment Acquisition Bonds	569,383	0	(186,420)	382,963	189,773
<i>Various Purpose Bonds:</i>					
\$2,655,000, 4.72%, 2023-2038					
Parking Lots Acquisition Bonds	409,000	0	(74,000)	335,000	78,000
Building Acquisition Bonds	306,800	0	(14,600)	292,200	15,200
Building Acquisition Bonds	306,800	0	(14,600)	292,200	15,200
Building Acquisition Bonds	306,800	0	(14,600)	292,200	15,200
Equipment Acquisition Bonds	507,000	0	(41,000)	466,000	43,000
Police Vehicles Acquisition Bonds	205,000	0	(37,000)	168,000	39,000
<i>Various Purpose Bonds:</i>					
\$1,511,788, 5.06%, 2024-2029					
Police and Fire Vehicles Acquisition Bonds	0	1,511,788	0	1,511,788	278,000
Total GO Bonds	5,246,978	1,511,788	(1,086,429)	5,672,337	1,112,434
OPWC Loans	200,000	0	(10,000)	190,000	20,000
<i>Other Long-Term Obligations:</i>					
Financed Purchases	69,328	0	(22,341)	46,987	23,101
Leases Payable	224,821	78,804	(73,308)	230,317	85,066
Total Leases	294,149	78,804	(95,649)	277,304	108,167
Compensated Absences	1,976,936	200,281	0	2,177,217	1,535,554

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

	Restated Balance 1/1/24	Additions	Deletions	Balance 12/31/24	Due Within One Year
<i>Net Pension Liability:</i>					
OPERS	\$12,727,727	\$0	(\$1,919,575)	\$10,808,152	\$0
OP&F	24,987,038	21,590	0	25,008,628	0
Total Net Pension Liability	37,714,765	21,590	(1,919,575)	35,816,780	0
<i>Net OPEB Liability:</i>					
OP&F	1,872,828	17,127	0	1,889,955	0
OPERS	266,336	0	(266,336)	0	
Total Net OPEB Liability	2,139,164	17,127	(266,336)	1,889,955	0
<i>Governmental Activities</i>					
<i>Long-Term Obligations</i>	\$49,941,403	\$1,829,590	(\$3,518,563)	\$48,252,430	\$2,871,155

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amount as follows:

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

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

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

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

City of Chillicothe
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For the Year Ended December 31, 2024

life of this debt. The bonds will be retired through the street construction maintenance and repair fund using tax revenues.

During 2017, the City issued \$1,490,000 of general obligation bonds for the purpose of repaying the 2016 street construction bond anticipation notes. The premium of \$58,722 on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt. The bonds are retired through the street construction maintenance and repair fund using tax revenues. The final payment was made in 2024.

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
2025	250,835

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

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

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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.

During 2024, the City issued \$1,511,788 of various purpose general obligation bonds for the purpose of purchasing a fire truck and related equipment (\$1,250,000) and police vehicles (\$300,000). This bond will be retired through the safety levy capital fund.

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.

	Restated Balance 1/1/24	Additions	Deletions	Balance 12/31/24	Due Within One Year
Business-Type Activities:					
<i>General Obligation Refunding Bonds:</i>					
\$415,000, 3.00%, 2020-2041					
Issuance Premium on Bonds	\$16,423	\$0	(\$16,423)	\$0	\$0
Total GO Refunding Bonds	16,423	0	(16,423)	0	0
<i>General Obligation Bonds:</i>					
2019 Building Purchase Bond, 4.0%	656,000	0	(30,000)	626,000	32,000
Issuance Premium on Bonds	49,406	0	(3,088)	46,318	0
2023 VP Bonds – Building	306,800	0	(14,600)	292,200	15,200
2023 VP Bonds – Building	306,800	0	(14,600)	292,200	15,200
Total GO Bonds	1,319,006	0	(62,288)	1,256,718	62,400
<i>OWDA Loans:</i>					
OWDA Loan 10130	11,544,991	23,863,593	0	35,408,584	0
Total OWDA	11,544,991	23,863,593	0	35,408,584	0
<i>Other Long-Term Obligations:</i>					
Leases Payable	934	0	(934)	0	0
Compensated Absences	700,131	35,792	0	735,923	350,661
<i>Net Pension Liability-OPERS:</i>					
Water	2,868,220	0	(466,408)	2,401,812	0
Sewer	2,330,429	0	(529,070)	1,801,359	0
Total Net Pension Liability-OPERS	5,198,649	0	(995,478)	4,203,171	0
<i>Net Pension Liability-OPEB:</i>					
Water	60,019	0	(60,019)	0	0
Sewer	48,766	0	(48,766)	0	0
Total Net Pension Liability-OPEB	108,785	0	(108,785)	0	0
<i>Business-Type Activities</i>					
<i>Long-Term Obligations</i>	\$18,888,919	\$23,899,385	(\$1,183,908)	\$41,604,396	\$413,061

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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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 \$35,458,584 to make improvements to the waste water treatment plant. \$50,000 of this loan was repaid with principal forgiveness in 2023. 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
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	110,000	51,900	0	0
2030-2034	605,000	207,450	0	0
2035-2039	700,000	111,750	0	0
2040-2041	315,000	14,250	0	0
Total	<u>\$2,135,000</u>	<u>\$624,000</u>	<u>\$660,000</u>	<u>\$29,850</u>

For year ended December 31	2019 G.O. Bonds		2024 V.P. Bonds		
	Governmental Activities		OPWC	Equipment	
	Principal	Interest	Principal	Principal	Interest
2025	\$53,000	\$41,760	\$20,000	\$278,000	\$70,122
2026	53,000	39,640	20,000	286,000	62,430
2027	56,000	37,520	20,000	301,000	47,958
2028	59,000	35,280	20,000	316,000	32,727
2029	59,000	32,920	20,000	330,788	16,738
2030-2034	339,000	126,920	90,000	0	0
2035-2039	425,000	52,200	0	0	0
Total	<u>\$1,044,000</u>	<u>\$366,240</u>	<u>\$190,000</u>	<u>\$1,511,788</u>	<u>\$229,975</u>

City of Chillicothe
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

For year ended December 31	2021 V.P. Bonds Land Acquisition		2021 V.P. Bonds Vehicles and Equipment Acquisition	
	Principal	Interest	Principal	Interest
2025	\$61,061	\$2,218	\$189,773	\$6,894
2026	62,160	1,119	193,190	3,477
Total	<u>\$123,221</u>	<u>\$3,337</u>	<u>\$382,963</u>	<u>\$10,371</u>

For year ended December 31	2019 G.O. Bonds Sewer		2019 G.O. Bonds Water	
	Principal	Interest	Principal	Interest
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	18,000	9,840	18,000	9,840
2030-2034	103,000	37,640	103,000	37,640
2035-2039	125,000	15,400	125,000	15,400
Total	<u>\$313,000</u>	<u>\$109,080</u>	<u>\$313,000</u>	<u>\$109,080</u>

For year ended December 31	2023 V.P. Bonds Parking Lot, Building, Equipment		2023 V.P. Bonds Building Water/Sewer	
	Principal	Interest	Principal	Interest
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	105,600	45,453	36,400	21,429
2030-2034	546,600	147,292	210,400	79,598
2035-2039	310,800	37,524	207,200	25,016
Total	<u>\$1,845,600</u>	<u>\$518,606</u>	<u>\$584,400</u>	<u>\$227,485</u>

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, 2024, the hospital revenue refunding bonds aggregated principal amount payable was \$136,835,000.

City of Chillicothe
Notes to the Basic Financial Statements
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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 2024 fiscal year were as follows:

	Balance 1/1/24	Additions	Deletions	Balance 12/31/24	Due Within One Year
Governmental Activities:					
CAD System – 2019 – 3.40%	\$69,328	\$0	(\$22,341)	\$46,987	\$23,101
<i>Governmental Activities</i>					
<i>Other Long-Term Obligations</i>	\$69,328	\$0	(\$22,341)	\$46,987	\$23,101

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, 2024 are shown below.

For year ended December 31	CAD System	
	Principal	Interest
2025	\$23,101	\$1,598
2026	23,886	812
Total	\$46,987	\$2,410

Note 10 – Leases Payable

In current and prior years, the City has entered into various agreements to lease equipment. Due to the implementation of GASB 87, these leases meet the criteria of right to use leases thereby requiring recognition 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.

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

Year	Principal	Interest
2025	\$85,066	\$7,882
2026	87,708	5,241
2027	26,841	2,367
2028	16,650	1,535
2029	14,052	603
Total	<u>\$230,317</u>	<u>\$17,628</u>

Several of the City's leases are from direct borrowings related to governmental activities 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/OPEB Liability (Asset)

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

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

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

City of Chillicothe
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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. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) 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):

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

Traditional plan state and local 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 at retirement.

City of Chillicothe
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Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 member's original 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:

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,539,742 for 2024. Of this amount, \$177,259 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,654,530 for 2024. Of this amount, \$238,363 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, 2023, 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, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.057338%	0.2588515%	
Prior Measurement Date	0.060685%	0.2630483%	
Change in Proportionate Share	-0.003347%	-0.0041968%	
Proportionate Share of the:			
Net Pension Liability	\$15,011,323	\$25,008,628	\$40,019,951
Pension Expense	\$1,957,550	\$2,344,653	\$4,302,203

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Chillicothe
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	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$245,348	\$802,843	\$1,048,191
Changes of assumptions	0	1,580,525	1,580,525
Net difference between projected and actual earnings on pension plan investments	3,029,925	2,834,007	5,863,932
Changes in proportion and differences between City contributions and proportionate share of contributions	312,370	1,211,753	1,524,123
City contributions subsequent to the measurement date	1,539,742	1,654,530	3,194,272
Total Deferred Outflows of Resources	<u>\$5,127,385</u>	<u>\$8,083,658</u>	<u>\$13,211,043</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$0	\$279,692	\$279,692
Changes of assumptions	0	379,786	379,786
Changes in proportion and differences between City contributions and proportionate share of contributions	442,560	1,476,917	1,919,477
Total Deferred Inflows of Resources	<u>\$442,560</u>	<u>\$2,136,395</u>	<u>\$2,578,955</u>

\$3,194,272 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 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	\$739,705	\$941,911	\$1,681,616
2026	903,300	1,176,119	2,079,419
2027	1,933,526	2,058,492	3,992,018
2028	(431,448)	52,402	(379,046)
2029	0	61,946	61,946
Thereafter	0	1,863	1,863
Total	<u>\$3,145,083</u>	<u>\$4,292,733</u>	<u>\$7,437,816</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, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

City of Chillicothe
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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 (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.2 percent for 2023.

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, 2023, these best estimates are summarized below:

City of Chillicothe
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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

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:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
City's proportionate share of the net pension liability	\$23,631,857	\$15,011,323	\$7,841,545

Actuarial Assumptions – OP&F

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 retirement 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 were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented below:

City of Chillicothe
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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

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.

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.

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.

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.

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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

City of Chillicothe
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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 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
	<hr/>	
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

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 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$33,125,790	\$25,008,628	\$18,258,418

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. 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. 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 and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

Retirees who do not 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.

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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, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

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.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required OPEB contribution was \$39,402 for 2024. Of this amount, \$6,112 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.05589700%	0.2588515%	
Prior Measurement Date	0.05949400%	0.2630483%	
Change in Proportionate Share	<u>-0.00359700%</u>	<u>-0.0041968%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$0	\$1,889,955	\$1,889,955
Net OPEB Asset	(504,484)	0	(504,484)
OPEB Expense (Gain)	(53,523)	121,322	67,799

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At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$90,884	\$90,884
Changes of assumptions	129,879	650,348	780,227
Net difference between projected and actual earnings on OPEB plan investments	302,971	139,562	442,533
Changes in proportion and differences between City contributions and proportionate share of contributions	14,762	243,348	258,110
City contributions subsequent to the measurement date	0	39,402	39,402
Total Deferred Outflows of Resources	<u>\$447,612</u>	<u>\$1,163,544</u>	<u>\$1,611,156</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$71,805	\$347,321	\$419,126
Changes of assumptions	216,862	1,217,088	1,433,950
Changes in proportion and differences between City contributions and proportionate share of contributions	6,348	249,599	255,947
Total Deferred Inflows of Resources	<u>\$295,015</u>	<u>\$1,814,008</u>	<u>\$2,109,023</u>

\$39,402 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 the net OPEB liability or reduction from the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (gain) as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	(\$8,327)	\$10,298	\$1,971
2026	27,394	(100,565)	(73,171)
2027	235,836	(67,580)	168,256
2028	(102,306)	(177,923)	(280,229)
2029	0	(165,604)	(165,604)
Thereafter	0	(188,492)	(188,492)
Total	<u>\$152,597</u>	<u>(\$689,866)</u>	<u>(\$537,269)</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.

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Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. 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	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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 benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected 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 real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, 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	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other Investments	5.00	2.43
Total	100.00 %	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 (Asset) to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$277,249	(\$504,484)	(\$1,152,037)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate

– Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 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 asset	(\$525,432)	(\$504,484)	(\$480,714)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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.

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement rate	4.07 percent
Prior measurement rate	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

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.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table

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with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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.

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.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

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 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent.

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Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.07 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 (3.07 percent), or one percentage point higher (5.07 percent), than the current rate:

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$2,327,900	\$1,889,955	\$1,521,119

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 2024 tax collections were based follows:

Property Tax Classification	Assessed Value
Real Property	\$508,719,790
Public Utility Property	44,314,600
Total	<u>\$553,034,390</u>

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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 2024, real property taxes were levied on January 1, 2024, on assessed values as of January 1, 2023, the lien date. Real estate taxes were due and payable on February 26 and July 9, 2024.

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, 2024.

Although total property tax collections for the next ensuing fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are intended to finance the subsequent year's operations. Therefore, the total property taxes receivable at year-end are credited to deferred inflows of resources on the financial statements.

Note 15 – Tax Abatements

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

Job Creation Tax Credit Program

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

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

Wages earned during 2024 that were subject to the City's abatement program for the year ended December 31, 2024 was \$51,998.

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

City of Chillicothe
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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 2024, these municipal income taxes generated a combined total of \$19,005,886 in local income tax revenue.

Note 17 – Interfund Activity

A summary of interfund transfers for 2024 are as follows:

	Transfers In	Transfers Out
<i>Major Governmental Fund:</i>		
General Fund	\$0	\$1,898,853
<i>Nonmajor Governmental Funds:</i>		
Parking Fund	231,679	0
Police Pension Fund	595,000	0
Fire Pension Fund	855,000	0
Capital Improvement	152,174	0
Parks Capital	50,000	0
<i>Total Nonmajor Governmental Funds</i>	1,883,853	0
<i>Major Enterprise Fund:</i>		
Sewer Fund	15,000	0
<i>Total</i>	<u>\$1,898,853</u>	<u>\$1,898,853</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In 2024, 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, 2024, 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</i>	<u>\$250,000</u>	<u>\$250,000</u>

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

Note 18 – Ross County and Chillicothe Law Enforcement Complex

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

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

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

Those costs are explained as follows:

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

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

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

Note 19 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government

City of Chillicothe
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funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Street Construction	Bus Transit	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>					
Prepaid Items	\$505,269	\$17,157	\$65,155	\$1,590,556	\$2,178,137
Materials and Supplies	82,975	5,619	20,699	33	109,326
Unclaimed Monies	155,364	0	0	0	155,364
Carlisle Hill Trust	0	0	0	1,000	1,000
<i>Total Nonspendable</i>	<u>743,608</u>	<u>22,776</u>	<u>85,854</u>	<u>1,591,589</u>	<u>2,443,827</u>
<i>Restricted:</i>					
Bus Transit	0	0	6,452,132	0	6,452,132
Street Construction	0	1,234,243	0	0	1,234,243
State Highway	0	0	0	37,642	37,642
Parks and Recreation	0	0	0	63,795	63,795
State Grants	0	0	0	362,376	362,376
Law Enforcement	0	0	0	18,788	18,788
Indigent Drivers	0	0	0	386,116	386,116
HUD	0	0	0	1,001	1,001
OMVI	0	0	0	31,079	31,079
One Ohio Opioid	0	0	0	300,490	300,490
Mandatory Drug Fines	0	0	0	11,735	11,735
Parking	0	0	0	42,918	42,918
Police Pension	0	0	0	94,245	94,245
Fire Pension	0	0	0	73,385	73,385
Bond Retirement	0	0	0	232,332	232,332
Capital Improvement	0	0	0	170,214	170,214
Safety Levy Capital	0	0	0	958,350	958,350
Parks and Rec Capital	0	0	0	14,352	14,352
Carlisle Hill Trust	0	0	0	2,378	2,378
<i>Total Restricted</i>	<u>0</u>	<u>1,234,243</u>	<u>6,452,132</u>	<u>2,801,196</u>	<u>10,487,571</u>
<i>Committed:</i>					
Floodwall	34,518	0	0	0	34,518
Streetscape	39,550	0	0	0	39,550
Future Purchases for General Government Purposes	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>350,000</u>
<i>Total Committed</i>	<u>424,068</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>424,068</u>
<i>Assigned:</i>					
Landfill Closure	34,075	0	0	0	34,075
Future Purchases for General Government Purposes	<u>583,292</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>583,292</u>
Subsequent Budget Deficit	167,730	0	0	0	167,730
Cablevision	0	0	0	5,765	5,765
<i>Total Assigned</i>	<u>785,097</u>	<u>0</u>	<u>0</u>	<u>5,765</u>	<u>790,862</u>
<i>Unassigned</i>	<u>7,788,171</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,788,171</u>
Total Balances	<u><u>\$9,740,944</u></u>	<u><u>\$1,257,019</u></u>	<u><u>\$6,537,986</u></u>	<u><u>\$4,398,550</u></u>	<u><u>\$21,934,499</u></u>

City of Chillicothe
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Note 20 – Landfill Closure and Postclosure Care

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

Note 21 – Significant Commitments

Encumbrances

As of December 31, 2024, the City had significant encumbrance commitments as follows:

<i>Major Governmental Funds:</i>	
General	\$959,263
Street Construction Maintenance and Repair	248,043
<i>Nonmajor Governmental Fund:</i>	
Safety Levy Capital	70,470
Parks & Recreation Capital	1,116,601
<i>Total Nonmajor Governmental Fund</i>	<u>1,187,071</u>
<i>Major Enterprise Funds:</i>	
Water	293,955
Sewer	476,823
<i>Total</i>	<u>\$3,165,155</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.

City of Chillicothe
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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 \$146,297,898. Other property insurance includes \$383,075 unscheduled and \$4,090,933 scheduled for other equipment. Comprehensive boiler and machinery coverage is carried in the amount of \$144,780,404. Insurance deductibles on any of the above coverage do not exceed \$10,000.

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

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, 2024 (most recent information available), the claims liability of \$895,912 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
2024	\$768,226	\$4,651,222	\$4,523,536	\$895,912
2023	747,103	5,098,014	5,076,891	768,226

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 – Asset Retirement Obligations

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

City of Chillicothe
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For the Year Ended December 31, 2024

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 25 – 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 26 – Change in Accounting Principles and Restatement of Beginning Balances

For 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections” and Statement No. 101, “Compensated Absences”.

GASB Statement No. 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. Statement 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information.

Statement 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments.

City of Chillicothe
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For the Year Ended December 31, 2024

Generally, a liability for leave that has not been used would be recognized if the leave:

- Is attributable to services already rendered;
- Accumulates; and
- Is more likely than not to be used for time off or otherwise paid or settled.

In accordance with GASB Statement No. 101, the City has developed estimates that affect previously reported compensated absences as provided for in the Statement. In addition, the City previously reported an intergovernmental receivable for a grant program for which expenses incurred were subsequently deemed unallowable. As such, beginning net position was restated to remove the impact of this unallowable receivable on that balance. These adjustments and restatements had the following impact on beginning net position:

	Governmental Activities	Business- Type Activities	Water	Sewer
Net Position, As Reported, December 31, 2023	\$29,511,956	\$39,898,451	\$21,689,178	\$17,840,301
Adjustments/Restatements:				
Adjustments to Compensated Absences	(287,644)	(44,424)	(84,281)	39,857
Correction for Previously Reported Receivable Balance	(250,000)	0	0	0
Net Position, As Restated, January 1, 2024	\$28,974,312	\$39,854,027	\$21,604,897	\$17,880,158

Change within in the Financial Reporting Entity

For 2024, the American Rescue Plan Act (ARPA) Fund presentation was adjusted from major to nonmajor as it no longer met the quantitative threshold for major fund reporting. This change is separately displayed in the financial statements.

Note 27 – Subsequent Events

In 2025, the City was awarded an Appalachian Community Grant in the amount of \$34,819,990 for improvements in Yoctangee Park, including construction of an amphitheater, upgrades to general park amenities, and the restoration and expansion of the Chillicothe Armory. Funds will additionally support District Gateways and Circulation Improvements, which involve upgrading the road network around the park and downtown to enhance access and add a shared-use bike path.

In 2025, it was announced that Pixelle will close the paper mill plant by year-end. It is the largest employer within the boundaries of the City.

Note 28 – Compliance

The City had appropriations in excess of estimated resources in the Parks and Recreation fund, HUD fund, Fire Pension fund, Capital Improvement fund, Safety Levy Capital fund, Parks and Recreation Capital fund, Landfill Closure fund, Streetscape fund, and Postage Rotary fund, which is contrary to Ohio Revised Code Section 5705.39.

The City had expenditures in excess of appropriations at the legal level of control in the Street Construction Maintenance and Repair fund, the ARPA Violent Crimes fund, and the Sewer fund, which is contrary to Ohio Revised Code Section 5705.41(b).

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

	2015	2016	2017
Ohio Public Employees Retirement System			
City's proportion of the net pension liability	0.0550140%	0.0571880%	0.0567200%
City's proportionate share of the net pension liability	\$6,635,303	\$9,905,683	\$12,880,147
City's covered payroll	\$7,645,907	\$7,379,121	\$7,420,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	86.78%	134.24%	173.59%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%
Ohio Police and Fire Pension Fund - Police			
City's proportion of the net pension liability	0.1170453%	0.1160740%	0.1203590%
City's proportionate share of the net pension liability	\$6,063,435	\$7,467,091	\$7,623,417
City's covered payroll	\$2,454,862	\$2,544,267	\$2,783,882
City's proportionate share of the net pension liability as a percentage of its covered payroll	247.00%	293.49%	273.84%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%
Ohio Police and Fire Pension Fund - Fire			
City's proportion of the net pension liability	0.1567050%	0.1448150%	0.1476240%
City's proportionate share of the net pension liability	\$8,117,972	\$9,316,063	\$9,350,346
City's covered payroll	\$2,511,146	\$2,583,333	\$2,763,179
City's proportionate share of the net pension liability as a percentage of its covered payroll	323.28%	360.62%	338.39%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%

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.

2018	2019	2020	2021	2022	2023	2024
0.0571490%	0.0583450%	0.0576740%	0.0538230%	0.0540580%	0.0606850%	0.0573380%
\$8,965,570	\$15,979,513	\$11,399,658	\$7,970,014	\$4,703,265	\$17,926,376	\$15,011,323
\$7,983,600	\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050	\$9,692,150
112.30%	188.78%	132.44%	97.60%	56.66%	179.28%	154.88%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
0.1232690%	0.1248110%	0.1291656%	0.1105259%	0.1001415%	0.1095599%	0.1144603%
\$7,565,604	\$10,187,876	\$8,701,285	\$7,534,652	\$6,256,262	\$10,407,128	\$11,058,445
\$2,994,046	\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815	\$3,659,492
252.69%	325.48%	263.48%	247.74%	218.17%	299.67%	302.19%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%	63.63%
0.1519330%	0.1530560%	0.1528324%	0.1490313%	0.1443820%	0.1534884%	0.1443912%
\$9,324,792	\$12,493,414	\$10,295,608	\$10,159,597	\$9,020,152	\$14,579,910	\$13,950,183
\$2,997,146	\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296	\$3,751,946
311.12%	399.80%	315.42%	302.63%	270.15%	370.02%	371.81%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

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

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

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

(1) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

2020	2021	2022	2023	2024
0.0570120%	0.0529060%	0.0532130%	0.0594940%	0.0558970%
\$7,874,838	(\$942,563)	(\$1,666,713)	\$375,121	(\$504,484)
\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050	\$9,692,150
91.49%	-11.54%	-20.08%	3.75%	-5.21%
47.80%	115.57%	128.23%	94.79%	107.76%
0.1291656%	0.1105259%	0.1001415%	0.1095599%	0.1144603%
\$1,275,863	\$1,171,040	\$1,097,637	\$780,035	\$835,710
\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815	\$3,659,492
38.63%	38.50%	38.28%	22.46%	22.84%
41.62%	45.42%	46.86%	52.59%	51.90%
0.1528324%	0.1490313%	0.1443820%	0.1534884%	0.1443912%
\$1,509,637	\$1,579,011	\$1,582,551	\$1,092,793	\$1,054,245
\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296	\$3,751,946
46.25%	47.03%	47.40%	27.73%	28.10%
41.62%	45.42%	46.86%	52.59%	51.90%

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

	2015	2016	2017
Ohio Public Employees Retirement System			
Contractually required contribution - pension	\$885,495	\$890,400	\$1,037,868
Contractually required contribution - OPEB	147,582	148,400	79,836
Contractually required contribution - total	1,033,077	1,038,800	1,117,704
Contributions in relation to the contractually required contribution	1,033,077	1,038,800	1,117,704
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$7,379,121	\$7,420,000	\$7,983,600
Contributions as a percentage of covered payroll - pension	12.00%	12.00%	13.00%
Contributions as a percentage of covered payroll - OPEB	2.00%	2.00%	1.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%
Ohio Police and Fire Pension Fund - Police			
Contractually required contribution - pension	\$483,411	\$528,938	\$568,869
Contractually required contribution - OPEB	12,721	13,919	14,970
Contractually required contribution - total	496,132	542,857	583,839
Contributions in relation to the contractually required contribution	496,132	542,857	583,839
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,544,267	\$2,783,882	\$2,994,046
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	19.50%	19.50%	19.50%
Ohio Police and Fire Pension Fund - Fire			
Contractually required contribution - pension	\$607,083	\$649,347	\$704,329
Contractually required contribution - OPEB	12,917	13,816	14,986
Contractually required contribution - total	620,000	663,163	719,315
Contributions in relation to the contractually required contribution	620,000	663,163	719,315
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,583,333	\$2,763,179	\$2,997,146
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	24.00%	24.00%	24.00%

See accompanying notes to the required supplementary information.

2018	2019	2020	2021	2022	2023	2024
\$1,185,030	\$1,205,016	\$1,143,266	\$1,162,058	\$1,399,867	\$1,356,901	\$1,539,742
0	0	0	0	0	0	0
1,185,030	1,205,016	1,143,266	1,162,058	1,399,867	1,356,901	1,539,742
1,185,030	1,205,016	1,143,266	1,162,058	1,399,867	1,356,901	1,539,742
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$8,464,500	\$8,607,257	\$8,166,186	\$8,300,414	\$9,999,050	\$9,692,150	\$10,998,157
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
0.00%	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%
\$594,719	\$627,468	\$577,849	\$544,848	\$659,835	\$694,656	\$681,743
15,651	16,512	15,207	14,338	17,364	18,945	18,648
610,370	643,980	593,056	559,186	677,199	713,601	700,391
610,370	643,980	593,056	559,186	677,199	713,601	700,391
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$3,130,103	\$3,302,462	\$3,041,313	\$2,867,621	\$3,472,815	\$3,659,492	\$3,591,749
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%
\$734,363	\$767,074	\$788,926	\$784,649	\$925,970	\$881,162	\$972,787
15,625	16,321	16,786	16,695	19,701	19,305	20,754
749,988	783,395	805,712	801,344	945,671	900,467	993,541
749,988	783,395	805,712	801,344	945,671	900,467	993,541
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$3,124,950	\$3,264,146	\$3,357,133	\$3,338,933	\$3,940,296	\$3,751,946	\$4,139,754
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 percent 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 or 2024.

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 or 2024.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2024.

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, 2024

- 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

For 2024, 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 5.22 percent to 5.70 percent.
- The municipal bond rate decreased from 4.05 percent to 3.77 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, 2024

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:

	Beginning in 2022	
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	

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

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

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

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

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

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

City of Chillicothe
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

OPEB

Changes in Assumptions

Single Discount Rate:

2024	4.07 percent
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 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The depletion year of OPEB assets is projected in year 2038.

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

- 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 2024.

City of Chillicothe, Ohio
Governmental Fund Descriptions

Nonmajor Special Revenue Funds

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

State Highway Fund

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

Parks and Recreation Fund

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

HUD Fund

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

Grants Fund

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

Cablevision Fund

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

Law Enforcement Fund

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

Indigent Drivers Alcohol Treatment Fund

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

OMVI Enforcement and Education Fund

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

Mandatory Drug Fines Fund

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

Parking Fund

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

City of Chillicothe, Ohio
Governmental Fund Descriptions (Continued)

Police Pension Fund

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

Fire Pension Fund

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

Stormwater Management

To account for and manage all revenues, grants received through various programs, transfers, and expenses associated with the City's stormwater projects. The City did not incur any GAAP-basis activity within this fund, nor were there balances to report at year-end, and therefore a balance sheet and statement of revenues, expenditures, and changes in fund balances are not presented for this fund.

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.

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.

Appalachian Community Grant Program Fund

To account for grants received in conjunction with the Ross County Board of Commissioners, from the Ohio Department of Development through the Appalachian Community Grant Program, funded through the American Rescue Plan Act. Grants are restricted for various purposes designated by the Department of the Treasury. The City did not incur any GAAP-basis activity within this fund and therefore a statement of revenues, expenditures, and changes in fund balances is not presented for this fund.

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:

City of Chillicothe, Ohio
Governmental Fund Descriptions (Continued)

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.

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.

City of Chillicothe, Ohio
Governmental Fund Descriptions (Continued)

Unclaimed Monies

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

Postage Rotary

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

City of Chillicothe
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$2,710,161	\$232,332	\$1,328,602	\$3,378	\$4,274,473
Cash and Cash Equivalents in Segregated Accounts	1,452	0	0	0	1,452
Materials and Supplies Inventory	33	0	0	0	33
Accounts Receivable	1,441	0	0	0	1,441
Intergovernmental Receivable	125,273	0	0	0	125,273
Prepaid Items	42,863	0	1,547,693	0	1,590,556
Income Taxes Receivable	134,043	0	223,405	0	357,448
Property Taxes Receivable	325,804	0	0	0	325,804
<i>Total Assets</i>	<u>\$3,341,070</u>	<u>\$232,332</u>	<u>\$3,099,700</u>	<u>\$3,378</u>	<u>\$6,676,480</u>
Liabilities:					
Accounts Payable	\$35,634	\$0	\$35,492	\$0	\$71,126
Accrued Wages and Benefits Payable	17,717	0	0	0	17,717
Contracts Payable	0	0	15,418	0	15,418
Intergovernmental Payable	204,951	0	0	0	204,951
Interfund Payable	0	0	250,000	0	250,000
Unearned Revenue	1,299,130	0	0	0	1,299,130
<i>Total Liabilities</i>	<u>1,557,432</u>	<u>0</u>	<u>300,910</u>	<u>0</u>	<u>1,858,342</u>
Deferred Inflows of Resources:					
Property Taxes not Levied to Finance Current Year Operations	136,402	0	0	0	136,402
<i>Unavailable Revenue:</i>					
Property Taxes	23,920	0	0	0	23,920
Income Taxes	64,909	0	108,181	0	173,090
Grants and Entitlements	86,176	0	0	0	86,176
<i>Total Unavailable Revenue</i>	<u>175,005</u>	<u>0</u>	<u>108,181</u>	<u>0</u>	<u>283,186</u>
<i>Total Deferred Inflows of Resources</i>	<u>311,407</u>	<u>0</u>	<u>108,181</u>	<u>0</u>	<u>419,588</u>
Fund Balances:					
Nonspendable	42,896	0	1,547,693	1,000	1,591,589
Restricted	1,423,570	232,332	1,142,916	2,378	2,801,196
Assigned	5,765	0	0	0	5,765
<i>Total Fund Balances</i>	<u>1,472,231</u>	<u>232,332</u>	<u>2,690,609</u>	<u>3,378</u>	<u>4,398,550</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$3,341,070</u>	<u>\$232,332</u>	<u>\$3,099,700</u>	<u>\$3,378</u>	<u>\$6,676,480</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$457,496	\$0	\$0	\$0	\$457,496
Income Taxes	802,904	0	1,097,760	0	1,900,664
Charges for Services	229,126	0	0	0	229,126
Fines, Licenses, Permits, and Settlements	291,339	0	0	0	291,339
Intergovernmental	1,299,467	0	294,209	0	1,593,676
Interest	49	0	46	0	95
Contributions and Donations	0	0	200	0	200
Other	18,088	0	0	0	18,088
<i>Total Revenues</i>	<i>3,098,469</i>	<i>0</i>	<i>1,392,215</i>	<i>0</i>	<i>4,490,684</i>
Expenditures:					
Current:					
General Government	41,425	0	0	0	41,425
<i>Security of Persons and Property:</i>					
Police	1,593,992	0	84,668	0	1,678,660
Fire	1,133,785	0	0	0	1,133,785
Leisure Time Services	1,053,317	0	126,968	0	1,180,285
Community Environment	9,500	0	0	0	9,500
Transportation	376,415	0	0	0	376,415
Capital Outlay	158,470	0	1,384,005	0	1,542,475
Debt Service:					
Principal	80,641	0	209,973	0	290,614
Interest	3,374	0	46,551	0	49,925
Issuance Costs	0	0	17,500	0	17,500
<i>Total Expenditures</i>	<i>4,450,919</i>	<i>0</i>	<i>1,869,665</i>	<i>0</i>	<i>6,320,584</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(1,352,450)</i>	<i>0</i>	<i>(477,450)</i>	<i>0</i>	<i>(1,829,900)</i>
Other Financing Sources					
Transfers In	1,681,679	0	202,174	0	1,883,853
General Obligation Bonds Issued	0	0	1,511,788	0	1,511,788
Proceeds from Sale of Capital Assets	3,300	0	0	0	3,300
<i>Total Other Financing Sources</i>	<i>1,684,979</i>	<i>0</i>	<i>1,713,962</i>	<i>0</i>	<i>3,398,941</i>
<i>Net Change in Fund Balances</i>	<i>332,529</i>	<i>0</i>	<i>1,236,512</i>	<i>0</i>	<i>1,569,041</i>
<i>Fund Balances at Beginning of Year, As Previously Reported</i>	<i>1,139,702</i>	<i>232,332</i>	<i>1,454,097</i>	<i>3,378</i>	<i>2,829,509</i>
<i>Adjustment for Change in Major Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fund Balances at Beginning of Year, As Adjusted</i>	<i>1,139,702</i>	<i>232,332</i>	<i>1,454,097</i>	<i>3,378</i>	<i>2,829,509</i>
<i>Fund Balances at End of Year</i>	<i>\$1,472,231</i>	<i>\$232,332</i>	<i>\$2,690,609</i>	<i>\$3,378</i>	<i>\$4,398,550</i>

City of Chillicothe
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2024

	State Highway	Parks and Recreation	HUD	Grants	Cablevision	Law Enforcement	Indigent Driver's Alcohol Treatment
Assets:							
Equity in Pooled Cash and Cash Equivalents	\$20,069	\$51,206	\$1,001	\$341,675	\$5,765	\$18,118	\$384,690
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	0	1,426
Materials and Supplies Inventory	0	33	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0	0
Intergovernmental Receivable	52,718	0	0	38,524	0	823	0
Prepaid Items	0	19,303	0	0	0	21,599	0
Income Taxes Receivable	0	134,043	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$72,787</u>	<u>\$204,585</u>	<u>\$1,001</u>	<u>\$380,199</u>	<u>\$5,765</u>	<u>\$40,540</u>	<u>\$386,116</u>
Liabilities:							
Accounts Payable	\$0	\$35,388	\$0	\$0	\$0	\$153	\$0
Accrued Wages and Benefits Payable	0	14,915	0	0	0	0	0
Intergovernmental Payable	0	6,242	0	0	0	0	0
Unearned Revenue	0	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>56,545</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>153</u>	<u>0</u>
Deferred Inflows of Resources:							
Property Taxes not Levied to Finance Current Year	0	0	0	0	0	0	0
<i>Unavailable Revenue:</i>							
Property Taxes	0	0	0	0	0	0	0
Income Taxes	0	64,909	0	0	0	0	0
Grants and Entitlements	35,145	0	0	17,823	0	0	0
<i>Total Unavailable Revenue</i>	<u>35,145</u>	<u>64,909</u>	<u>0</u>	<u>17,823</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Deferred Inflows of Resources</i>	<u>35,145</u>	<u>64,909</u>	<u>0</u>	<u>17,823</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:							
Nonspendable	0	19,336	0	0	0	21,599	0
Restricted	37,642	63,795	1,001	362,376	0	18,788	386,116
Assigned	0	0	0	0	5,765	0	0
<i>Total Fund Balances</i>	<u>37,642</u>	<u>83,131</u>	<u>1,001</u>	<u>362,376</u>	<u>5,765</u>	<u>40,387</u>	<u>386,116</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$72,787</u>	<u>\$204,585</u>	<u>\$1,001</u>	<u>\$380,199</u>	<u>\$5,765</u>	<u>\$40,540</u>	<u>\$386,116</u>

OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	ARPA Grant	One Ohio Opioid	ARPA Violent Crimes Grant	Appalachian Community Grant Program	Total Nonmajor Special Revenue Funds
\$31,053	\$11,735	\$45,488	\$64,192	\$101,063	\$1,314,483	\$300,490	\$19,133	\$0	\$2,710,161
26	0	0	0	0	0	0	0	0	1,452
0	0	0	0	0	0	0	0	0	33
0	0	1,441	0	0	0	0	0	0	1,441
0	0	0	8,600	8,600	0	0	0	16,008	125,273
0	0	1,961	0	0	0	0	0	0	42,863
0	0	0	0	0	0	0	0	0	134,043
0	0	0	162,902	162,902	0	0	0	0	325,804
<u>\$31,079</u>	<u>\$11,735</u>	<u>\$48,890</u>	<u>\$235,694</u>	<u>\$272,565</u>	<u>\$1,314,483</u>	<u>\$300,490</u>	<u>\$19,133</u>	<u>\$16,008</u>	<u>\$3,341,070</u>
\$0	\$0	\$93	\$0	\$0	\$0	\$0	\$0	\$0	\$35,634
0	0	2,802	0	0	0	0	0	0	17,717
0	0	1,116	52,688	110,419	34,486	0	0	0	204,951
0	0	0	0	0	1,279,997	0	19,133	0	1,299,130
0	0	4,011	52,688	110,419	1,314,483	0	19,133	0	1,557,432
0	0	0	68,201	68,201	0	0	0	0	136,402
0	0	0	11,960	11,960	0	0	0	0	23,920
0	0	0	0	0	0	0	0	0	64,909
0	0	0	8,600	8,600	0	0	0	16,008	86,176
0	0	0	20,560	20,560	0	0	0	16,008	175,005
0	0	0	88,761	88,761	0	0	0	16,008	311,407
0	0	1,961	0	0	0	0	0	0	42,896
31,079	11,735	42,918	94,245	73,385	0	300,490	0	0	1,423,570
0	0	0	0	0	0	0	0	0	5,765
<u>31,079</u>	<u>11,735</u>	<u>44,879</u>	<u>94,245</u>	<u>73,385</u>	<u>0</u>	<u>300,490</u>	<u>0</u>	<u>0</u>	<u>1,472,231</u>
<u>\$31,079</u>	<u>\$11,735</u>	<u>\$48,890</u>	<u>\$235,694</u>	<u>\$272,565</u>	<u>\$1,314,483</u>	<u>\$300,490</u>	<u>\$19,133</u>	<u>\$16,008</u>	<u>\$3,341,070</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	State Highway	Parks and Recreation	HUD	Grants	Cablevision	Law Enforcement	Indigent Driver's Alcohol Treatment
Revenues:							
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes	0	802,904	0	0	0	0	0
Charges for Services	0	151,120	0	0	0	0	0
Fines, Licenses, Permits, and Settlements	0	0	0	0	0	0	30,125
Intergovernmental	108,290	0	9,500	90,866	0	6,690	0
Interest	0	28	21	0	0	0	0
Other	0	2,998	0	0	0	0	0
<i>Total Revenues</i>	<u>108,290</u>	<u>957,050</u>	<u>9,521</u>	<u>90,866</u>	<u>0</u>	<u>6,690</u>	<u>30,125</u>
Expenditures:							
Current:							
General Government	0	0	0	41,425	0	0	0
<i>Security of Persons and Property:</i>							
Police	0	0	0	0	0	21,770	0
Fire	0	0	0	0	0	0	0
Leisure Time Services	0	1,044,816	0	0	0	0	0
Community Environment	0	0	9,500	0	0	0	0
Transportation	85,000	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service:							
Principal	20,651	0	0	0	0	0	0
Interest	825	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>106,476</u>	<u>1,044,816</u>	<u>9,500</u>	<u>41,425</u>	<u>0</u>	<u>21,770</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,814</u>	<u>(87,766)</u>	<u>21</u>	<u>49,441</u>	<u>0</u>	<u>(15,080)</u>	<u>30,125</u>
Other Financing Sources							
Transfers In	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	3,300	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>3,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>1,814</u>	<u>(84,466)</u>	<u>21</u>	<u>49,441</u>	<u>0</u>	<u>(15,080)</u>	<u>30,125</u>
<i>Fund (Deficit) Balances at Beginning of Year, As Previously Reported</i>	<u>35,828</u>	<u>167,597</u>	<u>980</u>	<u>312,935</u>	<u>5,765</u>	<u>55,467</u>	<u>355,991</u>
<i>Adjustment for Change in Major Fund</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances at Beginning of Year, As Adjusted</i>	<u>35,828</u>	<u>167,597</u>	<u>980</u>	<u>312,935</u>	<u>5,765</u>	<u>55,467</u>	<u>355,991</u>
<i>Fund Balances at End of Year</i>	<u>\$37,642</u>	<u>\$83,131</u>	<u>\$1,001</u>	<u>\$362,376</u>	<u>\$5,765</u>	<u>\$40,387</u>	<u>\$386,116</u>

OMVI Enforcement and Education	Mandatory Drug Fines	Parking	Police Pension	Fire Pension	ARPA Grant	One Ohio Opioid	ARPA Violent Crimes Grant	Totad Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$228,748	\$228,748	\$0	\$0	\$0	\$457,496
0	0	0	0	0	0	0	0	802,904
0	0	78,006	0	0	0	0	0	229,126
2,096	134	9,325	0	0	0	249,659	0	291,339
0	0	0	17,201	17,201	251,323	0	798,396	1,299,467
0	0	0	0	0	0	0	0	49
0	0	15,087	0	0	0	0	3	18,088
2,096	134	102,418	245,949	245,949	251,323	249,659	798,399	3,098,469
0	0	0	0	0	0	0	0	41,425
0	0	0	723,770	0	0	70,000	778,452	1,593,992
0	0	0	0	983,785	150,000	0	0	1,133,785
0	0	0	0	0	8,501	0	0	1,053,317
0	0	0	0	0	0	0	0	9,500
0	0	232,995	0	0	58,420	0	0	376,415
0	0	124,068	0	0	34,402	0	0	158,470
0	0	29,990	6,780	23,220	0	0	0	80,641
0	0	1,649	203	697	0	0	0	3,374
0	0	388,702	730,753	1,007,702	251,323	70,000	778,452	4,450,919
2,096	134	(286,284)	(484,804)	(761,753)	0	179,659	19,947	(1,352,450)
0	0	231,679	595,000	855,000	0	0	0	1,681,679
0	0	0	0	0	0	0	0	3,300
0	0	231,679	595,000	855,000	0	0	0	1,684,979
2,096	134	(54,605)	110,196	93,247	0	179,659	19,947	332,529
28,983	11,601	99,484	(15,951)	(19,862)	0	120,831	(19,947)	1,139,702
0	0	0	0	0	0	0	0	0
28,983	11,601	99,484	(15,951)	(19,862)	0	120,831	(19,947)	1,139,702
\$31,079	\$11,735	\$44,879	\$94,245	\$73,385	\$0	\$300,490	\$0	\$1,472,231

City of Chillicothe
Combining Balance Sheet
Nonmajor Capital Projects Funds
As of December 31, 2024

	Capital Improvement	Issue II	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$170,214	\$0	\$896,330	\$262,058	\$1,328,602
Prepaid Items	0	0	1,543,271	4,422	1,547,693
Income Taxes Receivable	0	0	178,724	44,681	223,405
<i>Total Assets</i>	<u>\$170,214</u>	<u>\$0</u>	<u>\$2,618,325</u>	<u>\$311,161</u>	<u>\$3,099,700</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$27,935	\$7,557	\$35,492
Contracts Payable	0	0	2,224	13,194	15,418
Interfund Payable	0	0	0	250,000	250,000
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>30,159</u>	<u>270,751</u>	<u>300,910</u>
Deferred Inflows of Resources:					
<i>Unavailable Revenue:</i>					
Income Taxes	0	0	86,545	21,636	108,181
<i>Total Unavailable Revenue</i>	<u>0</u>	<u>0</u>	<u>86,545</u>	<u>21,636</u>	<u>108,181</u>
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>86,545</u>	<u>21,636</u>	<u>108,181</u>
Fund Balances:					
Nonspendable	0	0	1,543,271	4,422	1,547,693
Restricted	170,214	0	958,350	14,352	1,142,916
<i>Total Fund Balances</i>	<u>170,214</u>	<u>0</u>	<u>2,501,621</u>	<u>18,774</u>	<u>2,690,609</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$170,214</u>	<u>\$0</u>	<u>\$2,618,325</u>	<u>\$311,161</u>	<u>\$3,099,700</u>

City of Chillicothe
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024

	Capital Improvement	Issue II	Safety Levy Capital	Parks and Recreation Capital	Total Nonmajor Capital Projects Funds
Revenues:					
Income Taxes	\$0	\$0	\$950,331	\$147,429	\$1,097,760
Intergovernmental	0	267,709	1,500	25,000	294,209
Interest	0	0	37	9	46
Contributions and Donations	0	0	0	200	200
<i>Total Revenues</i>	<u>0</u>	<u>267,709</u>	<u>951,868</u>	<u>172,638</u>	<u>1,392,215</u>
Expenditures:					
Current:					
<i>Security of Persons and Property:</i>					
Police	0	0	84,668	0	84,668
Leisure Time Services	0	0	0	126,968	126,968
Capital Outlay	0	267,709	833,414	282,882	1,384,005
Debt Service:					
Principal	0	0	157,381	52,592	209,973
Interest	0	0	13,523	33,028	46,551
Issuance Costs	0	0	17,500	0	17,500
<i>Total Expenditures</i>	<u>0</u>	<u>267,709</u>	<u>1,106,486</u>	<u>495,470</u>	<u>1,869,665</u>
<i>Excess of Revenues Under Expenditures</i>	0	0	(154,618)	(322,832)	(477,450)
Other Financing Sources					
Transfers In	152,174	0	0	50,000	202,174
General Obligation Bonds Issued	0	0	1,511,788	0	1,511,788
<i>Total Other Financing Sources</i>	<u>152,174</u>	<u>0</u>	<u>1,511,788</u>	<u>50,000</u>	<u>1,713,962</u>
<i>Net Change in Fund Balances</i>	152,174	0	1,357,170	(272,832)	1,236,512
<i>Fund Balances at Beginning of Year</i>	<u>18,040</u>	<u>0</u>	<u>1,144,451</u>	<u>291,606</u>	<u>1,454,097</u>
<i>Fund Balances at End of Year</i>	<u>\$170,214</u>	<u>\$0</u>	<u>\$2,501,621</u>	<u>\$18,774</u>	<u>\$2,690,609</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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$1,258,048	\$1,258,045	\$1,258,133	\$88
Income Taxes	14,583,421	14,583,421	14,583,421	0
Other Local Taxes	470,000	470,000	457,248	(12,752)
Special Assessments	25,000	25,000	20,004	(4,996)
Charges for Services	4,093,248	4,093,248	4,215,374	122,126
Fines, Licenses, and Permits	1,639,775	1,639,775	1,635,010	(4,765)
Intergovernmental	1,101,023	1,101,023	1,095,205	(5,818)
Interest	0	565,187	591,111	25,924
Contributions and Donations	17,950	17,950	18,150	200
Other	70,713	70,713	57,176	(13,537)
<i>Total Revenues</i>	<i>23,259,178</i>	<i>23,824,362</i>	<i>23,930,832</i>	<i>106,470</i>
Expenditures:				
Current:				
General Government				
Mayor				
Personal Services	132,401	132,401	132,401	0
Fringe Benefits	77,697	75,560	70,134	5,426
Travel Transportation	2,020	2,020	2,020	0
Contractual Services	146,357	146,357	145,817	540
Materials and Supplies	9,665	9,665	9,665	0
Other	50	50	0	50
<i>Total Mayor</i>	<i>368,190</i>	<i>366,053</i>	<i>360,037</i>	<i>6,016</i>
IT Technology				
Personal Services	138,612	138,612	132,090	6,522
Fringe Benefits	48,649	50,786	47,200	3,586
Travel Transportation	500	500	0	500
Contractual Services	56,050	56,050	24,733	31,317
Materials and Supplies	8,000	16,243	15,121	1,122
Other	2,500	2,500	1,146	1,354
<i>Total IT Technology</i>	<i>254,311</i>	<i>264,691</i>	<i>220,290</i>	<i>44,401</i>
City Council				
Personal Services	95,592	95,592	95,592	0
Fringe Benefits	129,738	129,738	122,730	7,008
Contractual Services	4,340	4,340	3,967	373
Materials and Supplies	2,648	2,648	1,615	1,033
<i>Total City Council</i>	<i>232,318</i>	<i>232,318</i>	<i>223,904</i>	<i>8,414</i>
Treasurer				
Personal Services	14,093	14,093	14,093	0
Fringe Benefits	32,676	32,676	30,665	2,011
Contractual Services	47,465	47,465	32,114	15,351
<i>Total Treasurer</i>	<i>94,234</i>	<i>94,234</i>	<i>76,872</i>	<i>17,362</i>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Income Tax Department				
Personal Services	\$149,894	\$149,894	\$149,894	\$0
Fringe Benefits	64,658	64,658	60,113	4,545
Materials and Supplies	700	700	285	415
Other	62	62	0	62
<i>Total Income Tax Department</i>	215,314	215,314	210,292	5,022
Land and Buildings				
Contractual Services	312,501	377,447	353,747	23,700
Materials and Supplies	35,516	65,691	59,474	6,217
<i>Total Land and Buildings</i>	348,017	443,138	413,221	29,917
Law Director				
Personal Services	585,851	585,851	585,851	0
Fringe Benefits	318,940	318,940	305,125	13,815
Contractual Services	68,705	77,915	67,214	10,701
Materials and Supplies	7,597	7,597	6,559	1,038
Other	1,340	1,340	651	689
<i>Total Law Director</i>	982,433	991,643	965,400	26,243
Auditor				
Personal Services	257,418	257,418	257,418	0
Fringe Benefits	149,317	149,317	142,800	6,517
Contractual Services	5,240	5,240	3,904	1,336
Materials and Supplies	8,100	8,100	7,103	997
Other	100	100	0	100
<i>Total Auditor</i>	420,175	420,175	411,225	8,950
Municipal Court				
Personal Services	1,410,007	1,410,007	1,394,518	15,489
Fringe Benefits	662,594	662,594	626,987	35,607
Travel Transportation	7,500	7,500	2,958	4,542
Contractual Services	465,199	465,199	295,213	169,986
Materials and Supplies	127,516	105,236	44,854	60,382
Other	11,400	11,400	99	11,301
<i>Total Municipal Court</i>	2,684,216	2,661,936	2,364,629	297,307

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Victim Witness				
Personal Services	\$40,199	\$40,199	\$40,199	\$0
Fringe Benefits	21,846	21,846	19,529	2,317
<i>Total Victim Witness</i>	62,045	62,045	59,728	2,317
Civil Service				
Personal Services	118,334	118,334	118,334	0
Fringe Benefits	52,231	52,231	50,237	1,994
Travel Transportation	462	462	0	462
Contractual Services	51,750	51,750	20,980	30,770
Materials and Supplies	3,600	3,600	207	3,393
Other	238	238	238	0
<i>Total Civil Service</i>	226,615	226,615	189,996	36,619
JRIG				
Personal Services	60,407	60,407	60,407	0
Fringe Benefits	11,243	11,243	11,243	0
<i>Total JRIG</i>	71,650	71,650	71,650	0
Service Department				
Personal Services	133,318	133,318	133,318	0
Fringe Benefits	66,026	66,026	63,500	2,526
Travel Transportation	2,942	2,942	0	2,942
Contractual Services	11,909	11,909	9,210	2,699
Materials and Supplies	800	800	289	511
<i>Total Service Department</i>	214,995	214,995	206,317	8,678
Engineering				
Personal Services	271,813	271,813	271,813	0
Fringe Benefits	103,292	103,292	86,769	16,523
Travel Transportation	500	500	0	500
Contractual Services	55,164	100,837	89,727	11,110
Materials and Supplies	9,705	7,751	5,288	2,463
Other	500	500	0	500
<i>Total Engineering</i>	440,974	484,693	453,597	31,096
Code Enforcement				
Contractual Services	45,465	45,465	45,197	268
Materials and Supplies	3,757	3,757	3,007	750
Other	250	250	0	250
<i>Total Code Enforcement</i>	49,472	49,472	48,204	1,268

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Defense				
Other	\$8,350	\$8,350	\$8,350	\$0
<i>Total Civil Defense</i>	8,350	8,350	8,350	0
Miscellaneous				
Fringe Benefits	16,050	16,050	12,770	3,280
Travel Transportation	500	500	0	500
Contractual Services	871,040	871,040	796,252	74,788
Materials and Supplies	5,039	5,039	2,314	2,725
Other	56,910	56,910	39,965	16,945
<i>Total Miscellaneous</i>	949,539	949,539	851,301	98,238
Planning Commission				
Materials and Supplies	150	150	0	150
<i>Total Planning Commission</i>	150	150	0	150
<i>Total General Government</i>	7,622,998	7,757,011	7,135,013	621,998
<i>Security of Persons and Property</i>				
Police				
Personal Services	4,003,410	4,003,410	4,003,410	0
Fringe Benefits	1,441,037	1,441,037	1,434,443	6,594
Travel Transportation	1,617	1,617	1,437	180
Contractual Services	452,781	410,688	388,625	22,063
Materials and Supplies	202,529	202,529	187,043	15,486
Other	3,298	3,298	2,911	387
<i>Total Police</i>	6,104,672	6,062,579	6,017,869	44,710
Fire				
Personal Services	4,470,877	4,470,877	4,470,877	0
Fringe Benefits	1,326,519	1,326,519	1,326,138	381
Travel Transportation	7,530	7,530	7,529	1
Contractual Services	136,761	136,761	135,311	1,450
Materials and Supplies	354,214	354,214	335,107	19,107
Other	420	420	85	335
<i>Total Fire</i>	6,296,321	6,296,321	6,275,047	21,274
<i>Total Security of Persons and Property</i>	12,400,993	12,358,900	12,292,916	65,984
Leisure Time Services				
Mayor - Special Projects				
Materials and Supplies	15,750	15,750	15,500	250
<i>Total Mayor - Special Projects</i>	15,750	15,750	15,500	250
<i>Total Leisure Time Services</i>	15,750	15,750	15,500	250

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Community Environment				
Design and Review				
Other	\$600	\$600	\$2	\$598
<i>Total Design and Review</i>	600	600	2	598
Economic Development				
Personal Services	118,410	118,410	110,329	8,081
Fringe Benefits	76,369	76,369	53,347	23,022
Travel Transportation	732	732	732	0
Contractual Services	190,860	190,860	190,630	230
Materials and Supplies	7,905	7,905	7,045	860
<i>Total Economic Development</i>	394,276	394,276	362,083	32,193
<i>Total Community Environment</i>	394,876	394,876	362,085	32,791
Basic Utility Services				
Refuse				
Personal Services	473,030	473,030	473,030	0
Fringe Benefits	207,101	207,101	207,041	60
Contractual Services	465,101	465,101	463,142	1,959
Materials and Supplies	70,250	70,250	60,724	9,526
<i>Total Refuse</i>	1,215,482	1,215,482	1,203,937	11,545
Recycling				
Personal Services	84,887	84,887	84,887	0
Fringe Benefits	68,335	68,335	68,335	0
Contractual Services	84,734	84,734	84,315	419
Materials and Supplies	23,466	23,466	16,515	6,951
<i>Total Recycling</i>	261,422	261,422	254,052	7,370
<i>Total Basic Utility Services</i>	1,476,904	1,476,904	1,457,989	18,915
Transportation				
Streets and Sidewalks				
Contractual Services	319,000	319,000	314,885	4,115
<i>Total Streets and Sidewalks</i>	319,000	319,000	314,885	4,115
<i>Total Transportation</i>	319,000	319,000	314,885	4,115
Capital Outlay:				
Capital Outlay	1,676,174	1,560,320	1,101,618	458,702
<i>Total Capital Outlay</i>	1,676,174	1,560,320	1,101,618	458,702
Debt Service:				
Principal	315,487	315,487	315,487	0
Interest	98,759	98,759	89,080	9,679
<i>Total Debt Service</i>	414,246	414,246	404,567	9,679
<i>Total Expenditures</i>	24,320,941	24,297,007	23,084,573	1,212,434
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,061,763)	(472,645)	846,259	1,318,904

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Transfers In	\$5,912,007	\$8,347,782	\$5,272,640	(\$3,075,142)
Proceeds from Sale of Capital Assets	0	80,557	80,557	0
Insurance Recoveries	0	89,794	89,794	0
Transfers Out	(7,351,765)	(8,850,810)	(7,693,493)	1,157,317
<i>Total Other Financing Sources (Uses)</i>	<i>(1,439,758)</i>	<i>(332,677)</i>	<i>(2,250,502)</i>	<i>(1,917,825)</i>
<i>Net Change in Fund Balances</i>	<i>(2,501,521)</i>	<i>(805,322)</i>	<i>(1,404,243)</i>	<i>(598,921)</i>
<i>Fund Balances at Beginning of Year</i>	<i>6,753,211</i>	<i>6,753,211</i>	<i>6,753,211</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>140,692</i>	<i>140,692</i>	<i>140,692</i>	<i>0</i>
<i>Fund Balances at End of Year</i>	<i>\$4,392,382</i>	<i>\$6,088,581</i>	<i>\$5,489,660</i>	<i>(\$598,921)</i>

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,943,583	\$1,943,583	\$1,944,122	\$539
Intergovernmental	1,342,162	1,342,162	1,336,896	(5,266)
Interest	0	0	74	74
Other	2,600	7,600	1,209	(6,391)
<i>Total Revenues</i>	<u>3,288,345</u>	<u>3,293,345</u>	<u>3,282,301</u>	<u>(11,044)</u>
Expenditures:				
Current:				
Transportation				
Personal Services	746,435	639,672	639,672	0
Fringe Benefits	307,798	280,302	267,105	13,197
Contractual Services	78,280	78,280	1,127,147	(1,048,867)
Materials and Supplies	229,900	509,459	487,545	21,914
<i>Total Transportation</i>	<u>1,362,413</u>	<u>1,507,713</u>	<u>2,521,469</u>	<u>(1,013,756)</u>
Capital Outlay:				
Capital Outlay	2,603,191	1,732,995	1,272,351	460,644
<i>Total Capital Outlay</i>	<u>2,603,191</u>	<u>1,732,995</u>	<u>1,272,351</u>	<u>460,644</u>
Debt Service:				
Principal	640,595	640,595	640,595	0
Interest	87,037	87,037	76,696	10,341
<i>Total Debt Service</i>	<u>727,632</u>	<u>727,632</u>	<u>717,291</u>	<u>10,341</u>
<i>Total Expenditures</i>	<u>4,693,236</u>	<u>3,968,340</u>	<u>4,511,111</u>	<u>(542,771)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,404,891)</u>	<u>(674,995)</u>	<u>(1,228,810)</u>	<u>(553,815)</u>
Other Financing Sources (Uses)				
Transfers In	2,388,539	2,158,232	1,804,260	(353,972)
Insurance Recoveries	14,332	14,332	14,332	0
Transfers Out	(2,022,199)	(1,982,199)	(1,862,260)	119,939
<i>Total Other Financing Sources (Uses)</i>	<u>380,672</u>	<u>190,365</u>	<u>(43,668)</u>	<u>(234,033)</u>
<i>Net Change in Fund Balances</i>	<u>(1,024,219)</u>	<u>(484,630)</u>	<u>(1,272,478)</u>	<u>(787,848)</u>
<i>Fund Balances at Beginning of Year</i>	<u>1,781,169</u>	<u>1,781,169</u>	<u>1,781,169</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>176,493</u>	<u>176,493</u>	<u>176,493</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$933,443</u>	<u>\$1,473,032</u>	<u>\$685,184</u>	<u>(\$787,848)</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bus Transit Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$972,193	\$972,193	\$972,253	\$60
Charges for Services	3,197,354	3,197,354	2,501,036	(696,318)
Intergovernmental	3,686,463	2,661,811	2,836,562	174,751
Interest	0	0	37	37
Other	24,990	24,990	19,881	(5,109)
<i>Total Revenues</i>	<u>7,881,000</u>	<u>6,856,348</u>	<u>6,329,769</u>	<u>(526,579)</u>
Expenditures:				
Current:				
Transportation				
Personal Services	2,569,828	2,569,282	1,767,851	801,431
Fringe Benefits	1,132,874	1,045,829	879,621	166,208
Travel Transportation	2,200	2,200	1,906	294
Contractual Services	3,778,744	3,248,137	2,650,856	597,281
Materials and Supplies	357,253	357,253	288,592	68,661
Other	2,800	2,800	20	2,780
<i>Total Transportation</i>	<u>7,843,699</u>	<u>7,225,501</u>	<u>5,588,846</u>	<u>1,636,655</u>
Capital Outlay:				
Capital Outlay	12,647	181,801	181,801	0
<i>Total Capital Outlay</i>	<u>12,647</u>	<u>181,801</u>	<u>181,801</u>	<u>0</u>
Debt Service:				
Principal	40,000	43,809	43,809	0
Interest	25,200	25,855	25,855	0
<i>Total Debt Service</i>	<u>65,200</u>	<u>69,664</u>	<u>69,664</u>	<u>0</u>
<i>Total Expenditures</i>	<u>7,921,546</u>	<u>7,476,966</u>	<u>5,840,311</u>	<u>1,636,655</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(40,546)</u>	<u>(620,618)</u>	<u>489,458</u>	<u>1,110,076</u>
Other Financing Uses				
Transfers Out	(76,884)	(76,884)	(29,000)	47,884
<i>Total Other Financing Uses</i>	<u>(76,884)</u>	<u>(76,884)</u>	<u>(29,000)</u>	<u>47,884</u>
<i>Net Change in Fund Balances</i>	<u>(117,430)</u>	<u>(697,502)</u>	<u>460,458</u>	<u>1,157,960</u>
<i>Fund Balances at Beginning of Year</i>	<u>5,197,772</u>	<u>5,197,772</u>	<u>5,197,772</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$5,090,342</u>	<u>\$4,510,270</u>	<u>\$5,668,230</u>	<u>\$1,157,960</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, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$108,000	\$108,000	\$108,397	\$397
<i>Total Revenues</i>	<u>108,000</u>	<u>108,000</u>	<u>108,397</u>	<u>397</u>
Expenditures:				
Current:				
Transportation				
Contractual Services	85,000	85,000	85,000	0
<i>Total Transportation</i>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>0</u>
Debt Service:				
Principal	20,652	20,652	20,651	1
Interest	826	826	825	1
<i>Total Debt Service</i>	<u>21,478</u>	<u>21,478</u>	<u>21,476</u>	<u>2</u>
<i>Total Expenditures</i>	<u>106,478</u>	<u>106,478</u>	<u>106,476</u>	<u>2</u>
<i>Net Change in Fund Balances</i>	1,522	1,522	1,921	399
<i>Fund Balances at Beginning of Year</i>	<u>18,148</u>	<u>18,148</u>	<u>18,148</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$19,670</u>	<u>\$19,670</u>	<u>\$20,069</u>	<u>\$399</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parks and Recreation Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$742,575	\$729,104	\$729,191	\$87
Charges for Services	152,431	152,431	162,651	10,220
Interest	0	0	28	28
Other	3,954	3,954	2,998	(956)
<i>Total Revenues</i>	<u>898,960</u>	<u>885,489</u>	<u>894,868</u>	<u>9,379</u>
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Personal Services	449,023	491,235	489,141	2,094
Fringe Benefits	223,449	256,308	225,510	30,798
Contractual Services	81,717	89,400	80,688	8,712
Materials and Supplies	68,814	75,284	68,947	6,337
Other	4,334	4,742	4,288	454
<i>Total Parks and Recreation</i>	<u>827,337</u>	<u>916,969</u>	<u>868,574</u>	<u>48,395</u>
Swimming Pool				
Personal Services	78,082	85,423	83,703	1,720
Fringe Benefits	15,082	16,500	15,063	1,437
Contractual Services	13,737	15,029	13,482	1,547
Materials and Supplies	43,117	47,171	47,078	93
Other	1,526	1,670	1,616	54
<i>Total Swimming Pool</i>	<u>151,544</u>	<u>165,793</u>	<u>160,942</u>	<u>4,851</u>
<i>Total Leisure Time Services</i>	<u>978,881</u>	<u>1,082,762</u>	<u>1,029,516</u>	<u>53,246</u>
<i>Total Expenditures</i>	<u>978,881</u>	<u>1,082,762</u>	<u>1,029,516</u>	<u>53,246</u>
<i>Excess of Revenues Under Expenditures</i>	(79,921)	(197,273)	(134,648)	62,625
Other Financing Sources				
Proceeds from Sale of Capital Assets	3,300	3,300	3,300	0
<i>Total Other Financing Sources</i>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(76,621)	(193,973)	(131,348)	62,625
<i>Fund Balances at Beginning of Year</i>	<u>182,554</u>	<u>182,554</u>	<u>182,554</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$105,933</u>	<u>(\$11,419)</u>	<u>\$51,206</u>	<u>\$62,625</u>

City of Chillicothe

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

HUD Fund

For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$145,000	\$0	\$9,500	\$9,500
Interest	0	0	21	21
<i>Total Revenues</i>	<u>145,000</u>	<u>0</u>	<u>9,521</u>	<u>9,521</u>
Expenditures:				
Current:				
Community Environment				
Rehabilitation and Development				
Contractual Services	145,000	150,000	9,500	140,500
<i>Total Rehabilitation and Development</i>	<u>145,000</u>	<u>150,000</u>	<u>9,500</u>	<u>140,500</u>
<i>Total Community Environment</i>	<u>145,000</u>	<u>150,000</u>	<u>9,500</u>	<u>140,500</u>
<i>Total Expenditures</i>	<u>145,000</u>	<u>150,000</u>	<u>9,500</u>	<u>140,500</u>
<i>Net Change in Fund Balances</i>	0	(150,000)	21	150,021
<i>Fund Balances at Beginning of Year</i>	<u>980</u>	<u>980</u>	<u>980</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$980</u>	<u>(\$149,020)</u>	<u>\$1,001</u>	<u>\$150,021</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Grants Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$108,104	\$111,037	\$93,067	(\$17,970)
<i>Total Revenues</i>	<u>108,104</u>	<u>111,037</u>	<u>93,067</u>	<u>(17,970)</u>
Expenditures:				
Current:				
General Government				
Victim Witness				
Contractual Services	41,425	41,425	41,425	0
<i>Total Victim Witness</i>	<u>41,425</u>	<u>41,425</u>	<u>41,425</u>	<u>0</u>
<i>Total General Government</i>	<u>41,425</u>	<u>41,425</u>	<u>41,425</u>	<u>0</u>
<i>Total Expenditures</i>	<u>41,425</u>	<u>41,425</u>	<u>41,425</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	66,679	69,612	51,642	(17,970)
Other Financing Uses				
Transfers Out	(66,679)	(66,679)	0	66,679
<i>Total Other Financing Uses</i>	<u>(66,679)</u>	<u>(66,679)</u>	<u>0</u>	<u>66,679</u>
<i>Net Change in Fund Balances</i>	0	2,933	51,642	48,709
<i>Fund Balances at Beginning of Year</i>	<u>290,033</u>	<u>290,033</u>	<u>290,033</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$290,033</u>	<u>\$292,966</u>	<u>\$341,675</u>	<u>\$48,709</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, 2024

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

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Law Enforcement Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$7,000	\$8,000	\$7,988	(\$12)
<i>Total Revenues</i>	<u>7,000</u>	<u>8,000</u>	<u>7,988</u>	<u>(12)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Contractual Services	15,825	15,825	0	15,825
Other	18,000	18,000	17,445	555
<i>Total Police</i>	<u>33,825</u>	<u>33,825</u>	<u>17,445</u>	<u>555</u>
<i>Total Security of Persons and Property</i>	<u>33,825</u>	<u>33,825</u>	<u>17,445</u>	<u>555</u>
<i>Total Expenditures</i>	<u>33,825</u>	<u>33,825</u>	<u>17,445</u>	<u>16,380</u>
<i>Net Change in Fund Balances</i>	(26,825)	(25,825)	(9,457)	16,368
<i>Fund Balances at Beginning of Year</i>	<u>27,575</u>	<u>27,575</u>	<u>27,575</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$750</u>	<u>\$1,750</u>	<u>\$18,118</u>	<u>\$16,368</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, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$25,000	\$26,000	\$29,742	\$3,742
<i>Total Revenues</i>	<u>25,000</u>	<u>26,000</u>	<u>29,742</u>	<u>3,742</u>
Expenditures:				
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)	(134,000)	29,742	163,742
<i>Fund Balances at Beginning of Year</i>	<u>354,948</u>	<u>354,948</u>	<u>354,948</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$219,948</u>	<u>\$220,948</u>	<u>\$384,690</u>	<u>\$163,742</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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$2,000	\$2,000	\$2,134	\$134
<i>Total Revenues</i>	2,000	2,000	2,134	134
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	2,000	2,000	2,134	134
<i>Fund Balances at Beginning of Year</i>	28,919	28,919	28,919	0
<i>Fund Balances at End of Year</i>	\$30,919	\$30,919	\$31,053	\$134

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, and Permits	\$1,000	\$500	\$145	(\$355)
<i>Total Revenues</i>	<u>1,000</u>	<u>500</u>	<u>145</u>	<u>(355)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Other	1,000	2,091	0	2,091
<i>Total Police</i>	<u>1,000</u>	<u>2,091</u>	<u>0</u>	<u>2,091</u>
<i>Total Security of Persons and Property</i>	<u>1,000</u>	<u>2,091</u>	<u>0</u>	<u>2,091</u>
<i>Total Expenditures</i>	<u>1,000</u>	<u>2,091</u>	<u>0</u>	<u>2,091</u>
<i>Net Change in Fund Balances</i>	0	(1,591)	145	1,736
<i>Fund Balances at Beginning of Year</i>	<u>11,590</u>	<u>11,590</u>	<u>11,590</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$11,590</u>	<u>\$9,999</u>	<u>\$11,735</u>	<u>\$1,736</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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$55,000	\$82,000	\$79,365	(\$2,635)
Fines, Licenses, and Permits	10,000	10,000	9,325	(675)
Other	15,200	15,200	15,087	(113)
<i>Total Revenues</i>	<u>80,200</u>	<u>107,200</u>	<u>103,777</u>	<u>(3,423)</u>
Expenditures:				
Current:				
Transportation				
Traffic Control and Parking Facility				
Personal Services	120,437	120,437	101,615	18,822
Fringe Benefits	61,239	57,502	51,274	6,228
Contractual Services	13,365	43,652	39,800	3,852
Materials and Supplies	55,894	55,894	49,497	6,397
Other	4,000	4,000	1,620	2,380
<i>Total Traffic Control and Parking Facility</i>	<u>254,935</u>	<u>281,485</u>	<u>243,806</u>	<u>37,679</u>
<i>Total Transportation</i>	<u>254,935</u>	<u>281,485</u>	<u>243,806</u>	<u>37,679</u>
Capital Outlay:				
Capital Outlay	110,842	137,547	124,068	13,479
<i>Total Capital Outlay</i>	<u>110,842</u>	<u>137,547</u>	<u>124,068</u>	<u>13,479</u>
Debt Service:				
Principal	29,990	29,990	29,990	0
Interest	1,649	1,649	1,649	0
<i>Total Debt Service</i>	<u>31,639</u>	<u>31,639</u>	<u>31,639</u>	<u>0</u>
<i>Total Expenditures</i>	<u>397,416</u>	<u>450,671</u>	<u>399,513</u>	<u>51,158</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(317,216)</u>	<u>(343,471)</u>	<u>(295,736)</u>	<u>47,735</u>
Other Financing Sources (Uses)				
Transfers In	337,903	342,224	281,679	(60,545)
Transfers Out	(50,000)	(50,000)	(50,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>287,903</u>	<u>292,224</u>	<u>231,679</u>	<u>(60,545)</u>
<i>Net Change in Fund Balances</i>	<u>(29,313)</u>	<u>(51,247)</u>	<u>(64,057)</u>	<u>(12,810)</u>
<i>Fund Balances at Beginning of Year</i>	<u>107,586</u>	<u>107,586</u>	<u>107,586</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>1,425</u>	<u>1,425</u>	<u>1,425</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$79,698</u>	<u>\$57,764</u>	<u>\$44,954</u>	<u>(\$12,810)</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Police Pension Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$150,300	\$150,300	\$149,932	(\$368)
Intergovernmental	17,690	17,690	17,201	(489)
<i>Total Revenues</i>	<u>167,990</u>	<u>167,990</u>	<u>167,133</u>	<u>(857)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police Pension and Disability				
Fringe Benefits	674,130	751,430	743,677	7,753
Other	3,000	3,000	2,279	721
<i>Total Police Pension and Disability</i>	<u>677,130</u>	<u>754,430</u>	<u>745,956</u>	<u>8,474</u>
<i>Total Security of Persons and Property</i>	<u>677,130</u>	<u>754,430</u>	<u>745,956</u>	<u>8,474</u>
Debt Service:				
Principal	6,780	6,780	6,780	0
Interest	203	203	203	0
<i>Total Debt Service</i>	<u>6,983</u>	<u>6,983</u>	<u>6,983</u>	<u>0</u>
<i>Total Expenditures</i>	<u>684,113</u>	<u>761,413</u>	<u>752,939</u>	<u>8,474</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(516,123)</u>	<u>(593,423)</u>	<u>(585,806)</u>	<u>7,617</u>
Other Financing Sources				
Transfers In	528,650	698,320	595,000	(103,320)
<i>Total Other Financing Sources</i>	<u>528,650</u>	<u>698,320</u>	<u>595,000</u>	<u>(103,320)</u>
<i>Net Change in Fund Balances</i>	<u>12,527</u>	<u>104,897</u>	<u>9,194</u>	<u>(95,703)</u>
<i>Fund Balances at Beginning of Year</i>	<u>54,998</u>	<u>54,998</u>	<u>54,998</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$67,525</u></u>	<u><u>\$159,895</u></u>	<u><u>\$64,192</u></u>	<u><u>(\$95,703)</u></u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Fire Pension Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$150,300	\$150,300	\$149,932	(\$368)
Intergovernmental	17,690	17,690	17,201	(489)
<i>Total Revenues</i>	<u>167,990</u>	<u>167,990</u>	<u>167,133</u>	<u>(857)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Pension and Disability				
Fringe Benefits	836,931	986,931	979,873	7,058
Other	3,000	3,000	2,279	721
<i>Total Fire Pension and Disability</i>	<u>839,931</u>	<u>989,931</u>	<u>982,152</u>	<u>7,779</u>
<i>Total Security of Persons and Property</i>	<u>839,931</u>	<u>989,931</u>	<u>982,152</u>	<u>7,779</u>
Debt Service:				
Principal	23,220	23,220	23,220	0
Interest	697	697	697	0
<i>Total Debt Service</i>	<u>23,917</u>	<u>23,917</u>	<u>23,917</u>	<u>0</u>
<i>Total Expenditures</i>	<u>863,848</u>	<u>1,013,848</u>	<u>1,006,069</u>	<u>7,779</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(695,858)</u>	<u>(845,858)</u>	<u>(838,936)</u>	<u>6,922</u>
Other Financing Sources				
Transfers In	719,751	633,420	855,000	221,580
<i>Total Other Financing Sources</i>	<u>719,751</u>	<u>633,420</u>	<u>855,000</u>	<u>221,580</u>
<i>Net Change in Fund Balances</i>	<u>23,893</u>	<u>(212,438)</u>	<u>16,064</u>	<u>228,502</u>
<i>Fund Balances at Beginning of Year</i>	<u>84,999</u>	<u>84,999</u>	<u>84,999</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$108,892</u>	<u>(\$127,439)</u>	<u>\$101,063</u>	<u>\$228,502</u>

City of Chillicothe

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

Stormwater Management Fund

For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$0	\$150,000	\$0	(\$150,000)
<i>Total Revenues</i>	0	150,000	0	(150,000)
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	0	150,000	0	(150,000)
<i>Fund Balances at Beginning of Year</i>	0	0	0	0
<i>Fund Balances at End of Year</i>	\$0	\$150,000	\$0	(\$150,000)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Security of Persons and Property				
Fire				
Contractual Services	0	150,000	150,000	0
<i>Total Fire</i>	0	150,000	150,000	0
<i>Total Security of Persons and Property</i>	0	150,000	150,000	0
Leisure Time Services				
Contractual Services	0	1,500	1,500	0
Materials and Supplies	0	7,001	7,001	0
<i>Total Leisure Time Services</i>	0	8,501	8,501	0
Transportation				
Contractual Services	0	58,420	58,420	0
<i>Total Transportation</i>	0	58,420	58,420	0
Capital Outlay:				
Capital Outlay	0	34,402	34,402	0
<i>Total Capital Outlay</i>	0	34,402	34,402	0
<i>Total Expenditures</i>	0	251,323	251,323	0
<i>Excess of Revenues Under Expenditures</i>	0	(251,323)	(251,323)	0
Other Financing Uses				
Transfers Out	(34,486)	0	0	0
<i>Total Other Financing Uses</i>	(34,486)	0	0	0
<i>Net Change in Fund Balances</i>	(34,486)	(251,323)	(251,323)	0
<i>Fund Balances at Beginning of Year</i>	1,565,806	1,565,806	1,565,806	0
<i>Fund Balances at End of Year</i>	\$1,531,320	\$1,314,483	\$1,314,483	\$0

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
One Ohio Opioid Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines, Licenses, Permits, and Settlements	\$64,721	\$250,000	\$249,659	(\$341)
<i>Total Revenues</i>	64,721	250,000	249,659	(341)
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	20,000	90,000	70,000	20,000
<i>Total Security of Persons and Property</i>	20,000	90,000	70,000	20,000
<i>Total Expenditures</i>	20,000	90,000	70,000	20,000
<i>Net Change in Fund Balances</i>	44,721	160,000	179,659	19,659
<i>Fund Balances at Beginning of Year</i>	120,831	120,831	120,831	0
<i>Fund Balances at End of Year</i>	\$165,552	\$280,831	\$300,490	\$19,659

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other	\$26,704	\$0	\$3	\$3
<i>Total Revenues</i>	<u>26,704</u>	<u>0</u>	<u>3</u>	<u>3</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	493,360	604,860	618,892	(14,032)
Fringe Benefits	138,397	176,465	179,508	(3,043)
Contractual Services	9,411	12,000	0	12,000
<i>Total Police</i>	<u>641,168</u>	<u>793,325</u>	<u>798,400</u>	<u>(5,075)</u>
<i>Total Security of Persons and Property</i>	<u>641,168</u>	<u>793,325</u>	<u>798,400</u>	<u>(5,075)</u>
<i>Total Expenditures</i>	<u>641,168</u>	<u>793,325</u>	<u>798,400</u>	<u>(5,075)</u>
<i>Net Change in Fund Balances</i>	(614,464)	(793,325)	(798,397)	(5,072)
<i>Fund Balances at Beginning of Year</i>	<u>817,530</u>	<u>817,530</u>	<u>817,530</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$203,066</u></u>	<u><u>\$24,205</u></u>	<u><u>\$19,133</u></u>	<u><u>(\$5,072)</u></u>

City of Chillicothe

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Appalachian Community Grant Program Fund
For the Year Ended December 31, 2024

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

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Fund
For the Year Ended December 31, 2024

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

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Capital Improvement Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay:				
Capital Outlay	152,174	152,174	0	152,174
<i>Total Capital Outlay</i>	152,174	152,174	0	152,174
<i>Total Expenditures</i>	152,174	152,174	0	152,174
<i>Excess of Revenues Under Expenditures</i>	(152,174)	(152,174)	0	152,174
Other Financing Sources				
Transfers In	152,174	38,480	152,174	113,694
<i>Total Other Financing Sources</i>	152,174	38,480	152,174	113,694
<i>Net Change in Fund Balances</i>	0	(113,694)	152,174	265,868
<i>Fund Balances at Beginning of Year</i>	18,040	18,040	18,040	0
<i>Fund Balances at End of Year</i>	\$18,040	(\$95,654)	\$170,214	\$265,868

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$614,000	\$760,000	\$267,709	(\$492,291)
<i>Total Revenues</i>	<u>\$614,000</u>	<u>\$760,000</u>	<u>\$267,709</u>	<u>(\$492,291)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	614,000	267,709	267,709	0
<i>Total Capital Outlay</i>	<u>614,000</u>	<u>267,709</u>	<u>267,709</u>	<u>0</u>
<i>Total Expenditures</i>	<u>614,000</u>	<u>267,709</u>	<u>267,709</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	492,291	0	(492,291)
<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>\$492,291</u>	<u>\$0</u>	<u>(\$492,291)</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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$1,243,595	\$104,939	\$972,251	\$867,312
Intergovernmental	1,500	1,500	1,500	0
Interest	0	0	37	37
<i>Total Revenues</i>	<u>1,245,095</u>	<u>106,439</u>	<u>973,788</u>	<u>867,349</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Contractual Services	39,504	115,687	115,687	0
Materials and Supplies	0	23,075	23,075	0
Other	11,000	11,400	4,000	7,400
<i>Total Police</i>	<u>50,504</u>	<u>150,162</u>	<u>142,762</u>	<u>7,400</u>
<i>Total Security of Persons and Property</i>	<u>50,504</u>	<u>150,162</u>	<u>142,762</u>	<u>7,400</u>
Capital Outlay:				
Capital Outlay	1,638,269	2,587,708	2,388,642	199,066
<i>Total Capital Outlay</i>	<u>1,638,269</u>	<u>2,587,708</u>	<u>2,388,642</u>	<u>199,066</u>
Debt Service:				
Principal	125,398	157,381	157,381	0
Interest	15,692	18,375	13,523	4,852
Issuance Costs	0	17,500	17,500	0
<i>Total Debt Service</i>	<u>141,090</u>	<u>193,256</u>	<u>188,404</u>	<u>4,852</u>
<i>Total Expenditures</i>	<u>1,829,863</u>	<u>2,931,126</u>	<u>2,719,808</u>	<u>211,318</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(584,768)</u>	<u>(2,824,687)</u>	<u>(1,746,020)</u>	<u>1,078,667</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	1,494,288	1,511,788	17,500
Transfers Out	(29,000)	(29,000)	(29,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(29,000)</u>	<u>1,465,288</u>	<u>1,482,788</u>	<u>17,500</u>
<i>Net Change in Fund Balances</i>	<u>(613,768)</u>	<u>(1,359,399)</u>	<u>(263,232)</u>	<u>1,096,167</u>
<i>Fund Balances at Beginning of Year</i>	<u>534,778</u>	<u>534,778</u>	<u>534,778</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>553,850</u>	<u>553,850</u>	<u>553,850</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$474,860</u>	<u>(\$270,771)</u>	<u>\$825,396</u>	<u>\$1,096,167</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Parks and Recreation Capital Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income Taxes	\$596,381	\$582,188	\$245,487	(\$336,701)
Intergovernmental	25,000	25,000	25,000	0
Interest	0	0	9	9
Contributions and Donations	200	200	200	0
<i>Total Revenues</i>	<u>621,581</u>	<u>607,388</u>	<u>270,696</u>	<u>(336,692)</u>
Expenditures:				
Current:				
Leisure Time Services				
Parks and Recreation				
Contractual Services	26,000	86,355	85,036	1,319
Materials and Supplies	0	52,320	52,320	0
<i>Total Parks and Recreation</i>	<u>26,000</u>	<u>138,675</u>	<u>137,356</u>	<u>1,319</u>
<i>Total Leisure Time Services</i>	<u>26,000</u>	<u>138,675</u>	<u>137,356</u>	<u>1,319</u>
Capital Outlay:				
Capital Outlay	2,105,531	1,584,853	1,386,289	198,564
<i>Total Capital Outlay</i>	<u>2,105,531</u>	<u>1,584,853</u>	<u>1,386,289</u>	<u>198,564</u>
Debt Service:				
Principal	52,594	52,594	52,594	0
Interest	33,030	33,030	33,028	2
<i>Total Debt Service</i>	<u>85,624</u>	<u>85,624</u>	<u>85,622</u>	<u>2</u>
<i>Total Expenditures</i>	<u>2,217,155</u>	<u>1,809,152</u>	<u>1,609,267</u>	<u>199,885</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,595,574)</u>	<u>(1,201,764)</u>	<u>(1,338,571)</u>	<u>(136,807)</u>
Other Financing Sources (Uses)				
Transfers In	50,000	50,000	50,000	0
Transfers Out	(29,000)	(29,000)	(29,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(1,574,574)</u>	<u>(1,180,764)</u>	<u>(1,317,571)</u>	<u>(136,807)</u>
<i>Fund Balances at Beginning of Year</i>	<u>463,028</u>	<u>463,028</u>	<u>463,028</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>(\$1,111,546)</u>	<u>(\$717,736)</u>	<u>(\$854,543)</u>	<u>(\$136,807)</u>

City of Chillicothe
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Budget Basis)
Carlisle Hill Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	0	0	0	0
<i>Fund Balances at Beginning of Year</i>	3,378	3,378	3,378	0
<i>Fund Balances at End of Year</i>	\$3,378	\$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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Community Environment				
Floodwall Maintenance				
Contractual Services	25,315	31,032	28,434	2,598
Materials and Supplies	11,118	15,554	15,444	110
<i>Total Floodwall Maintenance</i>	<u>36,433</u>	<u>46,586</u>	<u>43,878</u>	<u>2,708</u>
<i>Total Community Environment</i>	<u>36,433</u>	<u>46,586</u>	<u>43,878</u>	<u>2,708</u>
Capital Outlay:				
Capital Outlay	<u>25,855</u>	<u>15,564</u>	<u>9,110</u>	<u>6,454</u>
<i>Total Capital Outlay</i>	<u>25,855</u>	<u>15,564</u>	<u>9,110</u>	<u>6,454</u>
Debt Service:				
Principal	7,997	7,997	7,997	0
Interest	440	440	440	0
<i>Total Debt Service</i>	<u>8,437</u>	<u>8,437</u>	<u>8,437</u>	<u>0</u>
<i>Total Expenditures</i>	<u>70,725</u>	<u>70,587</u>	<u>61,425</u>	<u>9,162</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(70,725)</u>	<u>(70,587)</u>	<u>(61,425)</u>	<u>9,162</u>
Other Financing Sources (Uses)				
Transfers In	52,000	49,500	52,000	2,500
Transfers Out	(9,800)	(4,083)	0	4,083
<i>Total Other Financing Sources (Uses)</i>	<u>42,200</u>	<u>45,417</u>	<u>52,000</u>	<u>6,583</u>
<i>Net Change in Fund Balances</i>	<u>(28,525)</u>	<u>(25,170)</u>	<u>(9,425)</u>	<u>15,745</u>
<i>Fund Balances at Beginning of Year</i>	<u>47,798</u>	<u>47,798</u>	<u>47,798</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$19,273</u>	<u>\$22,628</u>	<u>\$38,373</u>	<u>\$15,745</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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Public Health				
Contractual Services	1,500	31,497	29,997	1,500
<i>Total Public Health</i>	1,500	31,497	29,997	1,500
Capital Outlay:				
Capital Outlay	35,000	29,506	0	29,506
<i>Total Capital Outlay</i>	35,000	29,506	0	29,506
Debt Service:				
Principal	4,348	4,348	4,348	0
Interest	174	174	174	0
<i>Total Debt Service</i>	4,522	4,522	4,522	0
<i>Total Expenditures</i>	41,022	65,525	34,519	31,006
<i>Excess of Revenues Under Expenditures</i>	(41,022)	(65,525)	(34,519)	31,006
Other Financing Sources				
Transfers In	40,000	10,000	40,000	30,000
<i>Total Other Financing Sources</i>	40,000	10,000	40,000	30,000
<i>Net Change in Fund Balances</i>	(1,022)	(55,525)	5,481	61,006
<i>Fund Balances at Beginning of Year</i>	28,594	28,594	28,594	0
<i>Fund Balances at End of Year</i>	\$27,572	(\$26,931)	\$34,075	\$61,006

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay:				
Capital Outlay	21,252	21,252	0	21,252
<i>Total Capital Outlay</i>	21,252	21,252	0	21,252
<i>Total Expenditures</i>	21,252	21,252	0	21,252
<i>Excess of Revenues Under Expenditures</i>	(21,252)	(21,252)	0	21,252
Other Financing Sources				
Transfers In	20,000	1,000	20,000	19,000
<i>Total Other Financing Sources</i>	20,000	1,000	20,000	19,000
<i>Net Change in Fund Balances</i>	(1,252)	(20,252)	20,000	40,252
<i>Fund Balances at Beginning of Year</i>	19,550	19,550	19,550	0
<i>Fund Balances at End of Year</i>	\$18,298	(\$702)	\$39,550	\$40,252

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other	\$10,000	\$10,000	\$5,557	(\$4,443)
<i>Total Revenues</i>	10,000	10,000	5,557	(4,443)
Expenditures:				
Current:				
General Government				
Monies Claimed				
Other	2,000	2,000	425	1,575
<i>Total Monies Claimed</i>	2,000	2,000	425	1,575
<i>Total General Government</i>	2,000	2,000	425	1,575
<i>Total Expenditures</i>	2,000	2,000	425	1,575
<i>Net Change in Fund Balances</i>	8,000	8,000	5,132	(2,868)
<i>Fund Balances at Beginning of Year</i>	150,232	150,232	150,232	0
<i>Fund Balances at End of Year</i>	\$158,232	\$158,232	\$155,364	(\$2,868)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$60,000	\$60,000	\$60,922	\$922
<i>Total Revenues</i>	60,000	60,000	60,922	922
Expenditures:				
Current:				
General Government				
Postage Services				
Materials and Supplies	64,896	75,396	58,331	17,065
<i>Total Postage Services</i>	64,896	75,396	58,331	17,065
<i>Total General Government</i>	64,896	75,396	58,331	17,065
<i>Total Expenditures</i>	64,896	75,396	58,331	17,065
<i>Net Change in Fund Balances</i>	(4,896)	(15,396)	2,591	17,987
<i>Fund Balances at Beginning of Year</i>	14,400	14,400	14,400	0
<i>Fund Balances at End of Year</i>	\$9,504	(\$996)	\$16,991	\$17,987

City of Chillicothe, Ohio
Proprietary Fund Descriptions

Nonmajor Internal Service Funds

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

Fuel Purchasing Program

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

JHP Self-Insurance Program

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

City of Chillicothe
Combining Statement of Fund Net Position
Internal Service Funds
As of December 31, 2024

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$103,979	\$0	\$103,979
Cash and Cash Equivalents with Fiscal Agents	0	3,192,215	3,192,215
<i>Total Current Assets</i>	<u>103,979</u>	<u>3,192,215</u>	<u>3,296,194</u>
<i>Total Assets</i>	103,979	3,192,215	3,296,194
Liabilities:			
<i>Current:</i>			
Accounts Payable	21,215	0	21,215
Claims Payable	0	895,912	895,912
<i>Total Current Liabilities</i>	<u>21,215</u>	<u>895,912</u>	<u>917,127</u>
<i>Total Liabilities</i>	21,215	895,912	917,127
Net Position:			
Unrestricted	82,764	2,296,303	2,379,067
<i>Total Net Position</i>	<u><u>\$82,764</u></u>	<u><u>\$2,296,303</u></u>	<u><u>\$2,379,067</u></u>

City of Chillicothe
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$437,934	\$5,684,581	\$6,122,515
<i>Total Operating Revenues</i>	<u>437,934</u>	<u>5,684,581</u>	<u>6,122,515</u>
Operating Expenses:			
Contractual Services	0	1,180,413	1,180,413
Materials and Supplies	480,199	0	480,199
Claims	0	4,651,222	4,651,222
<i>Total Operating Expenses</i>	<u>480,199</u>	<u>5,831,635</u>	<u>6,311,834</u>
<i>Operating Loss</i>	(42,265)	(147,054)	(189,319)
Nonoperating Revenues			
Interest Revenue	0	135,968	135,968
<i>Total Nonoperating Revenues</i>	<u>0</u>	<u>135,968</u>	<u>135,968</u>
<i>Change in Net Position</i>	(42,265)	(11,086)	(53,351)
<i>Net Position Beginning of Year</i>	<u>125,029</u>	<u>2,307,389</u>	<u>2,432,418</u>
<i>Net Position End of Year</i>	<u>\$82,764</u>	<u>\$2,296,303</u>	<u>\$2,379,067</u>

City of Chillicothe
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	Fuel Purchasing Program Fund	JHP Self- Insurance Program Fund	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$437,934	\$5,684,581	\$6,122,515
Cash Payments for Claims	0	(4,523,536)	(4,523,536)
Cash Payments for Contractual Services	0	(1,180,413)	(1,180,413)
Cash Payments for Supplies and Materials	(469,834)	0	(469,834)
<i>Net Cash Used by Operating Activities</i>	(31,900)	(19,368)	(51,268)
Cash Flows from Investing Activities			
Investment Earnings	0	135,968	135,968
<i>Net Cash Provided by Investing Activities</i>	0	135,968	135,968
<i>Net Change in Cash and Cash Equivalents</i>	(31,900)	116,600	84,700
<i>Cash and Cash Equivalents Beginning of Year</i>	135,879	3,075,615	3,211,494
<i>Cash and Cash Equivalents End of Year</i>	\$103,979	\$3,192,215	\$3,296,194
Reconciliation of Operating Loss to Net Cash Used by Operating Activities			
Operating Loss	(\$42,265)	(\$147,054)	(\$189,319)
<i>Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:</i>			
<i>Changes in Liabilities:</i>			
Increase in Accounts Payable	10,365	0	10,365
Increase in Claims Payable	0	127,686	127,686
<i>Net Cash Used by Operating Activities</i>	(\$31,900)	(\$19,368)	(\$51,268)

City of Chillicothe, Ohio
Fiduciary Fund Descriptions

Custodial Funds

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

Deposits Custodial Fund

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

Municipal 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, 2024

	Deposits Custodial	Municipal Court	Total Custodial Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$38,013	\$0	\$38,013
Cash and Cash Equivalents in Segregated Accounts	0	75,622	75,622
<i>Total Assets</i>	38,013	75,622	113,635
Liabilities:			
Intergovernmental Payable	0	70,534	70,534
<i>Total Liabilities</i>	0	70,534	70,534
Net Position:			
Restricted for Individuals, Organizations, and Other Governments	38,013	5,088	43,101
<i>Total Net Position</i>	<u>\$38,013</u>	<u>\$5,088</u>	<u>\$43,101</u>

City of Chillicothe
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	Deposits Custodial	Municipal Court	Total Custodial Funds
Additions:			
Fines and Forfeitures for Other Governments	\$371	\$2,384,379	\$2,384,750
<i>Total Additions</i>	371	2,384,379	2,384,750
Deductions:			
Fines and Forfeitures Distributions to Other Governments	380	2,419,457	2,419,837
<i>Total Deductions</i>	380	2,419,457	2,419,837
<i>Change in Net Position</i>	(9)	(35,078)	(35,087)
<i>Net Position at Beginning of Year</i>	38,022	40,166	78,188
<i>Net Position at End of Year</i>	\$38,013	\$5,088	\$43,101

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.

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial position has changed over time. 162-173

Revenue Capacity

These schedules contain information to help the reader understand and access the factors affecting the City's ability to generate its most significant local revenue sources: property and income taxes. 174-181

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 182-187

Economic and Demographic Information

This schedule offers economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. 189-190

Operating Information

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 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)

	2015	2016	* 2017	2018
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$31,019,197	\$29,083,001	\$26,212,133	\$26,307,894
<i>Restricted:</i>				
Debt Service	2,720	0	0	83,515
Capital Outlay	691,212	783,956	685,762	1,258,733
<i>Permanent Fund:</i>				
Expendable	2,295	2,310	2,325	2,340
Nonexpendable	1,000	1,000	1,000	1,000
Street Maintenance and Repair	0	2,507,600	3,618,733	2,839,067
Parks and Recreation	0	0	0	0
State Grants	0	0	0	0
Indigent Drivers Alcohol Treatment Program	0	0	0	0
Bus Transit	719,872	745,369	1,085,982	698,018
Housing and Urban Development Program	90,128	62,535	57,633	79,940
OneOpioid Program	0	0	0	0
Net OPEB Asset	0	0	0	0
Unclaimed Monies	84,470	88,739	96,200	102,950
Other Purposes	1,070,940	1,171,945	1,188,462	1,118,385
Unrestricted (Deficit)	<u>(12,599,357)</u>	<u>(15,464,626)</u>	<u>(32,054,419)</u>	<u>(35,176,908)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$21,082,477</u>	<u>\$18,981,829</u>	<u>\$893,811</u>	<u>(\$2,685,066)</u>
<i>Business Type - Activities</i>				
Net Investment in Capital Assets	\$33,549,707	\$33,244,740	\$33,483,988	\$33,067,316
<i>Restricted:</i>				
Debt Service	4	4	4	4
Capital Outlay	618,468	618,468	618,466	618,466
Net OPEB Asset	0	0	0	0
Unrestricted	<u>6,210,997</u>	<u>6,856,475</u>	<u>4,814,012</u>	<u>5,207,250</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$40,379,176</u>	<u>\$40,719,687</u>	<u>\$38,916,470</u>	<u>\$38,893,036</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$64,568,904	\$62,327,741	\$59,696,121	\$59,375,210
Restricted	3,281,109	5,981,926	7,354,567	6,802,418
Unrestricted (Deficit)	<u>(6,388,360)</u>	<u>(8,608,151)</u>	<u>(27,240,407)</u>	<u>(29,969,658)</u>
<i>Total Primary Government Net Position</i>	<u>\$61,461,653</u>	<u>\$59,701,516</u>	<u>\$39,810,281</u>	<u>\$36,207,970</u>

*Restated in 2018.

**Restated in 2021.

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

	2015	2016	2017	2018
Program Revenues				
<i>Governmental Activities</i>				
<i>Charges for Services:</i>				
General Government	\$2,326,602	\$2,483,728	\$2,675,760	\$2,373,866
Security of Persons and Property:				
Police	49,952	33,477	41,252	34,761
Fire	999,256	1,037,872	1,068,942	1,048,201
Leisure Time Services	91,472	114,592	111,831	109,365
Community Environment	0	0	0	0
Basic Utility Services	1,461,615	1,455,317	1,452,727	1,485,124
Transportation	2,345,012	1,959,322	2,228,577	4,486,010
Subtotal - Charges for Services	7,273,909	7,084,308	7,579,089	9,537,327
<i>Operating Grants and Contributions:</i>				
General Government	0	0	6,843	0
Security of Persons and Property:				
Police	33,611	14,800	41,146	235,623
Fire	19,502	14,017	14,140	14,110
Leisure Time Services	0	0	0	0
Community Environment	83,757	69,041	47,704	13,450
Basic Utility Services	0	0	0	0
Transportation	2,676,569	2,664,810	2,434,016	2,082,423
Intergovernmental	0	0	0	0
Subtotal - Operating Grants and Contributions	2,813,439	2,762,668	2,543,849	2,345,606
<i>Capital Grants and Contributions:</i>				
Security of Persons and Property:				
Police	0	0	0	0
Leisure Time Services	0	10,000	0	56,802
Transportation	330,000	95,450	420,773	603,450
Subtotal - Capital Grants and Contributions	330,000	105,450	420,773	660,252
Total Governmental Activities Program Revenues	10,417,348	9,952,426	10,543,711	12,543,185
<i>Business-Type Activities</i>				
<i>Charges for Services:</i>				
Water	4,389,716	4,276,662	4,345,361	4,421,534
Sewer	3,091,530	3,044,372	3,171,156	3,430,191
Subtotal - Charges for Services	7,481,246	7,321,034	7,516,517	7,851,725
<i>Operating Grants and Contributions:</i>				
Sewer	0	0	0	0
<i>Capital Grants and Contributions:</i>				
Water	0	0	0	0
Sewer	0	0	0	0
Subtotal - Capital Grants and Contributions	0	0	0	0
Total Business-Type Activities Program Revenues	7,481,246	7,321,034	7,516,517	7,851,725
Total Primary Government Program Revenues	\$17,898,594	\$17,273,460	\$18,060,228	\$20,394,910

2019	2020	2021	2022	2023	2024
\$2,224,889	\$1,641,839	\$511,100	\$1,659,018	\$1,839,849	\$1,830,798
39,815	161,998	446,103	29,665	34,164	249,659
1,091,456	1,108,592	1,547,986	1,213,148	1,169,407	1,494,589
96,761	6,700	91,258	115,329	85,784	151,120
0	10,832	5,223	5,001	0	12,693
1,643,182	1,924,929	2,132,101	2,055,412	2,076,315	2,189,604
5,202,451	3,603,228	3,685,861	4,480,630	4,085,651	3,104,264
10,298,554	8,458,118	8,419,632	9,558,203	9,291,170	9,032,727
0	999,389	248,094	410,640	360,795	208,491
393,488	92,262	68,241	106,838	981,427	809,789
14,482	160,401	96,724	30	20,990	159,570
0	26,199	40,302	1,729	291,065	58,939
363,546	833,215	15,003	130,008	135,021	9,521
0	27,032	0	44,374	205,626	0
2,457,636	4,368,114	5,668,572	5,025,404	4,941,094	4,480,118
0	0	0	0	240,928	0
3,229,152	6,506,612	6,136,936	5,719,023	7,176,946	5,726,428
0	0	0	0	0	1,537
83,569	0	125,094	0	0	209
512,747	0	46,841	252,881	0	267,709
596,316	0	171,935	252,881	0	269,455
14,124,022	14,964,730	14,728,503	15,530,107	16,468,116	15,028,610
4,382,532	4,707,309	3,966,842	4,417,647	4,486,597	4,686,235
3,488,525	3,832,193	3,245,765	3,518,958	3,688,709	4,818,074
7,871,057	8,539,502	7,212,607	7,936,605	8,175,306	9,504,309
0	0	22,786	0	0	0
0	0	0	0	0	5,995
0	0	0	0	2,100,809	2,260,553
0	0	0	0	2,100,809	2,266,548
7,871,057	8,539,502	7,235,393	7,936,605	10,276,115	11,770,857
\$21,995,079	\$23,504,232	\$21,963,896	\$23,466,712	\$26,744,231	\$26,799,467

(continued)

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

	2015	2016	2017	2018
Expenses				
<i>Governmental Activities</i>				
General Government	\$5,586,664	\$5,849,212	\$6,389,653	\$6,661,671
Security of Persons and Property:				
Police	5,207,081	6,400,259	6,332,115	7,589,867
Fire	5,263,397	6,144,215	6,260,678	7,001,891
Public Health	0	0	0	0
Leisure Time Services	789,943	997,693	1,097,183	1,176,712
Community Environment	445,176	432,011	430,023	354,503
Basic Utility Services	898,156	920,757	985,975	1,782,804
Transportation	8,356,705	8,833,139	8,703,914	10,737,859
Intergovernmental	0	0	0	0
Interest	184,490	263,721	364,633	287,022
<i>Total Governmental Activities Expenses</i>	<u>26,731,612</u>	<u>29,841,007</u>	<u>30,564,174</u>	<u>35,592,329</u>
<i>Business-Type Activities</i>				
Water	3,675,217	4,078,550	4,277,717	4,537,006
Sewer	3,278,689	3,148,529	3,631,845	3,621,098
<i>Total Business-Type Activities Expenses</i>	<u>6,953,906</u>	<u>7,227,079</u>	<u>7,909,562</u>	<u>8,158,104</u>
<i>Total Primary Government Program Expenses</i>	<u>33,685,518</u>	<u>37,068,086</u>	<u>38,473,736</u>	<u>43,750,433</u>
Net (Expense)/Revenue				
Governmental Activities	(16,314,264)	(19,888,581)	(20,020,463)	(23,049,144)
Business-Type Activities	<u>527,340</u>	<u>93,955</u>	<u>(393,045)</u>	<u>(306,379)</u>
<i>Total Primary Government Net Expense</i>	<u>(15,786,924)</u>	<u>(19,794,626)</u>	<u>(20,413,508)</u>	<u>(23,355,523)</u>

2019	2020	2021	2022	2023	2024
\$8,183,220	\$6,267,660	\$3,855,019	\$5,356,545	\$7,448,104	\$7,841,054
2,920,880	7,407,309	5,561,708	5,831,283	8,456,979	8,405,125
481,614	7,092,636	6,115,182	6,505,917	7,922,093	8,016,749
0	0	0	38,427	29,997	29,997
1,091,968	933,515	857,434	974,476	1,349,042	1,297,785
775,071	1,476,572	357,249	551,698	625,414	612,356
1,144,709	1,352,143	1,008,751	1,082,742	1,492,008	1,430,802
12,236,494	9,681,811	7,464,294	9,821,764	11,879,627	9,996,337
0	0	0	0	200,000	0
267,773	347,090	201,843	189,519	213,574	268,818
27,101,729	34,558,736	25,421,480	30,352,371	39,616,838	37,899,023
5,026,351	5,045,810	4,078,754	3,802,275	5,400,688	5,545,515
3,968,060	3,791,867	2,603,986	3,697,906	4,399,977	4,673,337
8,994,411	8,837,677	6,682,740	7,500,181	9,800,665	10,218,852
36,096,140	43,396,413	32,104,220	37,852,552	49,417,503	48,117,875
(12,977,707)	(19,594,006)	(10,692,977)	(14,822,264)	(23,148,722)	(22,870,413)
(1,123,354)	(298,175)	552,653	436,424	475,450	1,552,005
(14,101,061)	(19,892,181)	(10,140,324)	(14,385,840)	(22,673,272)	(21,318,408)

(continued)

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

	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
<i>Taxes:</i>				
<i>Property Taxes Levied for:</i>				
General Purposes	\$861,079	\$884,981	\$900,267	\$971,274
Police and Fire Pension	215,431	213,818	217,816	233,800
<i>Municipal Income Taxes Levied for:</i>				
General Purposes	9,800,131	10,935,510	11,148,015	11,676,147
Transportation	732,147	2,176,293	2,215,346	2,329,437
Parks and Recreation	533,036	565,307	558,768	584,169
Capital Outlay	915,798	938,664	930,366	973,611
Other Local Taxes	290,727	304,959	375,388	307,338
Grants and Entitlements not Restricted to Specific Programs	741,609	860,806	875,632	1,148,782
Gifts and Contributions not Restricted to Specific Programs	0	0	0	0
Investment Income	14,841	49,563	82,206	195,099
Gain on Sale of Capital Assets	0	13,318	0	0
Insurance Recoveries	0	0	0	0
Miscellaneous	706,066	873,248	1,278,970	1,079,252
<i>Total Governmental Activities</i>	<u>14,810,865</u>	<u>17,816,467</u>	<u>18,582,774</u>	<u>19,498,909</u>
<i>Business-Type Activities</i>				
Investment Income	4	0	0	0
Gain on Sale of Capital Assets	0	0	0	30,900
Miscellaneous	158,380	218,022	187,608	223,403
<i>Total Business-Type Activities</i>	<u>158,384</u>	<u>218,022</u>	<u>187,608</u>	<u>254,303</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>14,969,249</u>	<u>18,034,489</u>	<u>18,770,382</u>	<u>19,753,212</u>
<i>Transfers</i>				
Governmental Activities	(11,832)	(28,534)	(35,579)	(28,642)
Business-Type Activities	11,832	28,534	35,579	28,642
<i>Change in Net Position</i>				
Governmental Activities	(1,515,231)	(2,100,648)	(1,473,268)	(3,578,877)
Business-Type Activities	697,556	340,511	(169,858)	(23,434)
<i>Total Primary Government Change in Net Position</i>	<u>(\$817,675)</u>	<u>(\$1,760,137)</u>	<u>(\$1,643,126)</u>	<u>(\$3,602,311)</u>

2019	2020	2021	2022	2023	2024
\$971,603	\$1,076,509	\$1,035,226	\$1,098,625	\$1,229,994	\$1,909,222
235,310	259,542	250,116	261,656	298,904	457,520
11,834,517	12,300,819	13,064,052	13,725,477	13,989,513	14,505,173
2,370,531	2,457,963	2,610,264	2,744,108	2,795,086	2,900,724
586,337	615,181	653,362	686,336	700,042	815,431
977,219	1,025,298	1,088,937	1,143,893	1,163,883	1,118,639
407,401	188,951	383,030	436,300	466,536	473,463
677,305	842,806	950,315	950,770	1,006,828	1,045,628
0	1,000	19,015	4,250	1,100	18,150
300,227	154,421	55,972	35,591	758,255	1,060,694
0	15,826	36,925	4,507	16,400	83,857
0	0	0	0	320,048	104,126
1,223,546	1,728,278	324,512	267,079	267,010	265,826
19,583,996	20,666,594	20,471,726	21,358,592	23,013,599	24,758,453
0	0	0	0	0	0
0	4,840	6,911	0	0	0
200,029	361,941	101,287	87,384	149,784	69,417
200,029	366,781	108,198	87,384	149,784	69,417
19,784,025	21,033,375	20,579,924	21,445,976	23,163,383	24,827,870
(28,649)	(30,000)	(20,000)	(10,000)	(16,250)	(15,000)
28,649	30,000	20,000	10,000	16,250	15,000
6,577,640	1,042,588	9,758,749	6,526,328	(151,373)	1,873,040
(894,676)	98,606	680,851	533,808	641,484	1,636,422
\$5,682,964	\$1,141,194	\$10,439,600	\$7,060,136	\$490,111	\$3,509,462

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

	2015	2016	2017	2018
General Fund				
Nonspendable	\$261,226	\$255,045	\$274,376	\$508,499
Committed	51,286	34,567	45,329	54,278
Assigned	0	18,453	14,853	11,420
Unassigned	2,663,924	3,369,441	4,975,561	4,256,839
Total General Fund	2,976,436	3,677,506	5,310,119	4,831,036
All Other Governmental Funds				
Nonspendable	90,886	78,331	58,844	178,409
Restricted	2,356,673	4,493,423	5,919,152	5,096,903
Assigned	5,765	5,765	5,765	5,765
Unassigned (Deficit)	(415,703)	0	0	0
Total All Other Governmental Funds	2,037,621	4,577,519	5,983,761	5,281,077
Total Governmental Funds	<u>\$5,014,057</u>	<u>\$8,255,025</u>	<u>\$11,293,880</u>	<u>\$10,112,113</u>

2019	2020	2021	2022	2023	2024
\$473,492	\$481,612	\$576,755	\$617,578	\$667,328	\$743,608
145,715	66,749	41,631	17,527	66,433	424,068
131,006	50,034	747,692	684,625	2,464,981	785,097
4,335,761	5,060,523	5,525,123	5,637,316	5,792,966	7,788,171
5,085,974	5,658,918	6,891,201	6,957,046	8,991,708	9,740,944
211,833	187,859	217,430	185,544	215,756	1,700,219
4,662,336	6,591,541	9,355,210	9,079,544	10,012,923	10,487,571
5,765	5,765	5,765	5,765	5,765	5,765
0	0	0	(121,928)	(66,601)	0
4,879,934	6,785,165	9,578,405	9,148,925	10,167,843	12,193,555
\$9,965,908	\$12,444,083	\$16,469,606	\$16,105,971	\$19,159,551	\$21,934,499

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

	2015	2016	2017	2018
Revenues				
Property Taxes	\$1,077,820	\$1,088,547	\$1,130,743	\$1,197,651
Income Taxes	12,109,853	14,148,768	15,173,267	15,424,214
Other Local Taxes	290,727	304,959	375,388	307,338
Special Assessments	5,863	11,566	30,676	20,615
Charges for Services	5,423,454	5,138,328	5,555,170	7,862,987
Fines, Licenses, Permits, and Settlements	1,844,592	1,917,514	1,990,345	3,908,580
Intergovernmental	4,237,598	3,531,008	3,765,473	4,277,837
Investment Earnings	14,841	49,563	82,206	195,099
Contributions and Donations	0	26,900	1,310	14,567
Other	701,553	877,828	1,278,970	1,079,252
<i>Total Revenues</i>	<i>25,706,301</i>	<i>27,094,981</i>	<i>29,383,548</i>	<i>34,288,140</i>
Expenditures				
<i>Current:</i>				
General Government	5,483,348	5,589,191	5,941,369	6,414,195
<i>Security of Persons and Property:</i>				
Police	4,888,702	5,514,183	5,675,008	6,074,087
Fire	4,923,945	5,194,391	5,584,702	5,742,723
Public Health	0	0	0	0
Leisure Time Services	618,742	690,016	738,995	780,745
Community Environment	146,428	94,711	121,045	45,526
Basic Utility Services	907,781	929,540	904,387	1,731,054
Transportation	6,718,751	7,495,984	7,618,673	9,775,658
Intergovernmental	0	0	0	0
Capital Outlay	985,259	1,145,498	926,172	1,106,668
<i>Debt Service:</i>				
Principal	728,014	576,503	972,143	1,204,417
Interest	181,383	189,523	315,508	311,543
Issuance Costs	6,928	71,950	61,187	0
<i>Total Expenditures</i>	<i>25,589,281</i>	<i>27,491,490</i>	<i>28,859,189</i>	<i>33,186,616</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>117,020</i>	<i>(396,509)</i>	<i>524,359</i>	<i>1,101,524</i>
Other Financing Sources (Uses)				
Transfers In	1,691,615	1,342,353	1,398,490	1,644,833
Refunding Bonds Issues	0	0	0	0
General Obligation Bonds Issued	260,000	3,436,417	2,065,000	297,889
Premium on Debt Issued	5,234	102,175	69,187	0
Issuance of Financed Purchase Agreements	0	0	0	0
Issuance of Notes	0	0	0	0
Proceeds from Loan	0	0	0	0
Proceeds from Sale of Capital Assets	16,559	40,128	650	85,844
Inception of Leases	74,924	87,291	415,238	3,025
Insurance Recoveries	0	0	0	0
Transfers Out	(1,703,447)	(1,370,887)	(1,434,069)	(1,673,475)
<i>Total Other Financing Sources (Uses)</i>	<i>344,885</i>	<i>3,637,477</i>	<i>2,514,496</i>	<i>358,116</i>
<i>Net Change in Fund Balances</i>	<i>\$461,905</i>	<i>\$3,240,968</i>	<i>\$3,038,855</i>	<i>\$1,459,640</i>
 Debt Service as a Percentage of Noncapital Expenditures	 3.8%	 3.3%	 4.9%	 5.0%

2019	2020	2021	2022	2023	2024
\$1,203,759	\$1,295,297	\$1,306,056	\$1,327,214	\$1,515,472	\$2,365,862
16,170,025	15,782,117	17,249,172	18,458,566	18,699,726	19,005,886
407,401	186,925	385,056	436,300	466,536	473,463
2,046	21,001	5,536	24,961	24,151	2,248
9,123,404	6,928,411	6,859,559	7,946,606	7,532,954	7,097,677
1,158,374	1,510,481	1,487,031	1,648,523	1,754,310	1,867,383
4,521,163	7,418,390	6,814,093	6,388,112	8,118,861	7,550,241
300,244	154,558	44,984	10,652	657,491	924,932
85,369	26,000	167,254	5,970	1,525	18,350
1,223,546	1,715,946	320,693	264,557	273,351	265,829
34,195,331	35,039,126	34,639,434	36,511,461	39,044,377	39,571,871
6,882,988	5,376,220	5,736,409	6,569,951	6,675,974	7,142,189
7,447,345	6,333,217	5,917,806	6,642,206	7,457,944	7,733,765
6,187,289	6,286,349	6,150,286	7,033,253	6,491,900	7,487,532
0	37,500	0	38,427	29,997	29,997
821,085	687,027	737,484	974,692	1,194,108	1,195,785
472,525	788,578	45,015	237,671	311,671	297,455
1,038,883	1,297,758	1,395,414	1,432,342	1,416,573	1,392,003
10,895,234	7,616,845	7,526,910	8,864,674	8,749,428	8,454,523
0	0	0	0	200,000	0
1,032,446	2,647,251	3,099,347	3,817,703	4,550,816	3,264,729
1,254,179	3,999,091	1,149,362	1,266,737	1,227,652	1,302,850
269,019	307,433	233,359	231,090	199,932	242,170
16,031	80,085	0	0	46,400	17,500
36,317,024	35,457,354	31,991,392	37,108,746	38,552,395	38,560,498
(2,121,693)	(418,228)	2,648,042	(597,285)	491,982	1,011,373
2,119,601	1,375,665	1,234,596	1,230,040	1,793,319	1,883,853
0	2,785,000	0	0	0	0
1,391,000	0	1,232,390	0	2,041,400	1,511,788
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	0
5,197	15,826	36,925	4,507	16,400	83,857
0	8,514	128,166	239,143	0	78,804
0	0	0	0	320,048	104,126
(2,148,250)	(1,405,665)	(1,254,596)	(1,240,040)	(1,809,569)	(1,898,853)
1,975,488	2,896,403	1,377,481	233,650	2,561,598	1,763,575
(\$146,205)	\$2,478,175	\$4,025,523	(\$363,635)	\$3,053,580	\$2,774,948
4.6%	13.1%	4.8%	4.5%	4.2%	4.4%

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
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
2024	508,719,790	1,453,485,114	44,314,600	50,357,500

Source: Ross County Auditor

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

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

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

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Rate
\$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
553,034,390	1,503,842,614	36.77%	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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct Tax Rate:										
<i>City of Chillicothe Millage</i>										
General Operating	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
<i>Total City Direct Rate Millage</i>	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Overlapping Rates by Taxing District:										
<i>Ross County Millage</i>										
Operating	12.50	12.80	12.70	13.70	13.70	14.20	14.20	14.20	14.20	14.20
<i>Total County Millage</i>	12.50	12.80	12.70	13.70	13.70	14.20	14.20	14.20	14.20	14.20
<i>Chillicothe City School District Millage</i>										
Operating	53.40	50.20	50.10	49.90	46.20	46.20	46.20	46.20	46.20	46.20
Debt Service	5.80	8.79	7.90	7.90	7.40	7.00	7.00	7.00	6.20	6.20
<i>Total School Millage</i>	59.20	58.99	58.00	57.80	53.60	53.20	53.20	53.20	52.40	52.40
<i>Other Millage</i>										
Operating	5.80	6.30	6.70	6.30	6.30	6.30	6.30	6.30	6.30	6.30
<i>Total Other Millage</i>	5.80	6.30	6.70	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Total Direct and Overlapping Millage	80.70	81.29	80.60	81.00	76.80	76.90	76.90	76.90	76.10	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)
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
2024	1,703,232	1,650,206	96.89%	61,892

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
\$1,210,431	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%
1,712,098	100.52%	68,496	4.02%

City of Chillicothe, Ohio
Principal Taxpayers - Real Estate and PU-PP Tax
2024 and 2015

2024		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$34,605,810	6.26%
Columbia Gas of Ohio	6,786,650	1.23%
Guernsey Crossing LLC	5,540,370	1.00%
Chillicothe TK Owner LLC	4,471,230	0.81%
Chillicothe Mall	4,176,010	0.76%
Agree Stores LLC	3,160,780	0.57%
Menards, Inc.	2,880,500	0.52%
Sam's Real Estate Business	2,611,800	0.47%
Zane Plaza LLC	2,328,730	0.42%
Spirit Master Funding X LLC	2,316,950	0.42%
Total	<u>\$68,878,830</u>	<u>12.46%</u>
Total Assessed Valuation	<u>\$553,034,390</u>	

2015		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Power Company	\$19,656,370	5.04%
P.H. Glatfelter	8,381,280	2.15%
Chillicothe Mall Inc.	4,218,580	1.08%
DDR Chillicothe LLC	3,794,550	0.97%
Central Center LTD	2,779,620	0.71%
Columbia Gas of Ohio	2,779,440	0.71%
Menards, Inc.	3,696,460	0.95%
Sam's Real Estate Business	3,618,050	0.93%
Zane Plaza LLC	2,319,440	0.59%
K-Mart Corporation	2,310,010	0.59%
Total	<u>\$53,553,800</u>	<u>13.72%</u>
Total Assessed Valuation	<u>\$389,834,240</u>	

Source: Ross County Auditor

(1) The amounts presented represent the assessed values upon which 2024 and 2015 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
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%
2024	2.00%	19,444,302	15,853,951	81.54%	2,102,903	10.82%	1,487,448	7.65%

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
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
2024	7,901,174	190,000	0	0	46,987	230,317

Source: City Auditor's Office

Business-Type Activities

General Obligation Bonds	Mortgage Revenue Bonds	Long Term Notes	OWDA Loans	Leases	Total Debt	Percentage of Personal Income	Per Capita
\$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
1,256,718	0	0	35,408,584	0	45,033,780	6.23%	2,057

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)	Less: Amounts Restricted for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt per Capita
2015	21,738	\$1,074,884,509	\$7,754,464	\$2,720	\$7,751,744	0.72%	\$357
2016	21,901	1,090,202,412	10,290,129	0	10,290,129	0.94%	470
2017	21,499	1,132,186,986	11,028,785	0	11,028,785	0.97%	513
2018	21,901	1,164,249,979	9,689,822	83,515	9,606,307	0.83%	439
2019	21,717	1,178,078,214	10,254,964	196,466	10,058,498	0.85%	463
2020	21,722	1,254,203,105	8,718,586	228,332	8,490,254	0.68%	391
2021	22,059	1,271,957,409	8,840,494	232,332	8,608,162	0.68%	390
2022	22,009	1,288,370,541	7,542,248	232,332	7,309,916	0.57%	332
2023	22,059	1,494,688,004	8,951,638	232,332	8,719,306	0.58%	395
2024	21,895	1,503,842,614	9,157,892	232,332	8,925,560	0.59%	408

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, 2024

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Chillicothe			
OPWC Loans	\$190,000	100.00%	\$190,000
Leases	230,317	100.00%	230,317
Financed Purchases	46,987	100.00%	46,987
General Obligation Bonds	<u>7,901,174</u>	100.00%	<u>7,901,174</u>
<i>Total Direct Debt</i>	<u>8,368,478</u>		<u>8,368,478</u>
Overlapping			
Ross County	8,055,613	30.98%	2,495,629
Chillicothe City Schools	34,520,000	91.65%	31,637,580
Scioto Township	<u>247,590</u>	82.74%	<u>204,856</u>
<i>Total Overlapping Debt</i>	<u>42,823,203</u>		<u>34,338,065</u>
<i>Total</i>	<u><u>\$51,191,681</u></u>		<u><u>\$42,706,543</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

	2015	2016	2017	2018
Total Assessed Property Value	<u>\$389,834,240</u>	<u>\$395,508,700</u>	<u>\$409,684,250</u>	<u>\$426,628,840</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>\$40,932,595</u>	<u>\$41,528,414</u>	<u>\$43,016,846</u>	<u>\$44,796,028</u>
Debt Outstanding:				
General Obligation Bonds	4,495,000	7,479,813	8,715,822	7,958,881
General Obligation Bonds - Enterprise	3,170,000	2,635,000	2,095,000	1,550,000
OWDA Loans - Enterprise	0	0	0	0
OPWC Loans	0	0	0	0
Loan Payable	75,000	50,000	25,000	0
Notes Payable	0	0	0	0
Total Gross Indebtedness	7,740,000	10,164,813	10,835,822	9,508,881
Less:				
Notes Payable from Enterprise Fund Revenues	0	0	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	3,170,000	2,635,000	2,095,000	1,550,000
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	75,000	50,000	25,000	0
Bond Retirement Fund Balance	16,646	16,646	16,646	110,707
Total Net Debt Applicable to Debt Limit	4,478,354	7,463,167	8,699,176	7,848,174
Legal Debt Margin Within 10 1/2% Limitations	<u>\$36,454,241</u>	<u>\$34,065,247</u>	<u>\$34,317,670</u>	<u>\$36,947,854</u>
Legal Debt Margin as a Percentage of the Debt Limit	89.06%	82.03%	79.78%	82.48%
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$21,440,883</u>	<u>\$21,752,979</u>	<u>\$22,532,634</u>	<u>\$23,464,586</u>
Total Gross Indebtedness	7,740,000	10,164,813	10,835,822	9,508,881
Less:				
Notes Payable from Enterprise Fund Revenues	0	0	0	0
G.O. Bonds Payable from Enterprise Fund Revenues	3,170,000	2,635,000	2,095,000	1,550,000
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	75,000	50,000	25,000	0
Bond Retirement Fund Balance	16,646	16,646	16,646	110,707
Net Debt Within 5 1/2% Limitations	4,478,354	7,463,167	8,699,176	7,848,174
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$16,962,529</u>	<u>\$14,289,812</u>	<u>\$13,833,458</u>	<u>\$15,616,412</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	79.11%	65.69%	61.39%	66.55%

Source: City Financial Records

2019	2020	2021	2022	2023	2024
\$434,027,460	\$460,604,470	\$468,624,000	\$475,811,750	\$549,063,300	\$553,034,390
\$45,572,883	\$48,363,469	\$49,205,520	\$49,960,234	\$57,651,647	\$58,068,611
8,187,848	7,168,733	7,487,545	6,393,204	7,387,985	7,702,572
1,749,000	1,150,000	989,000	821,000	1,269,600	1,210,400
0	0	0	0	11,544,991	35,408,584
0	0	0	0	200,000	190,000
0	0	0	0	0	0
0	2,140,000	0	0	0	0
9,936,848	10,458,733	8,476,545	7,214,204	20,402,576	44,511,556
0	2,140,000	0	0	0	0
1,749,000	1,150,000	989,000	821,000	1,269,600	1,210,400
0	0	0	0	11,544,991	35,408,584
0	0	0	0	200,000	190,000
0	0	0	0	0	0
232,642	228,332	232,332	232,332	232,332	232,332
7,955,206	6,940,401	7,255,213	6,160,872	7,155,653	7,470,240
\$37,617,677	\$41,423,068	\$41,950,307	\$43,799,362	\$50,495,994	\$50,598,371
82.54%	85.65%	85.26%	87.67%	87.59%	87.14%
\$23,871,510	\$25,333,246	\$25,774,320	\$26,169,646	\$30,198,482	\$30,416,891
9,936,848	10,458,733	8,476,545	7,214,204	20,402,576	44,511,556
0	2,140,000	0	0	0	0
1,749,000	1,150,000	989,000	821,000	1,269,600	1,210,400
0	0	0	0	11,544,991	35,408,584
0	0	0	0	200,000	190,000
0	0	0	0	0	0
232,642	228,332	232,332	232,332	232,332	232,332
7,955,206	6,940,401	7,255,213	6,160,872	7,155,653	7,470,240
\$15,916,304	\$18,392,845	\$18,519,107	\$20,008,774	\$23,042,829	\$22,946,651
66.67%	72.60%	71.85%	76.46%	76.30%	75.44%

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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)
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
2024	21,895	723,323,220	33,036	41.7	3,403	4.5%	553,034,390

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

2024			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Pixelle	Paper Industry	1,027	3.20%
Wal-Mart	Retail	888	2.77%
Ross County	County Government	659	2.05%
Chillicothe City Schools	Education	655	2.04%
Lowe's	Retail	240	0.75%
City of Chillicothe	City Government	295	0.92%
Ohio University-Chillicothe	College Campus	249	0.78%
Menards	Retail	169	0.53%
Charter Communication	Cable TV/Internet	216	0.67%
GloFiber/Chillicothe Telephone	Communications	108	0.34%
Total		<u>4,506</u>	<u>14.05%</u>
Total Employment Within the City		<u>32,096</u>	<u>100.00%</u>
2015			
Employer	Nature of Business	Employees	Percentage of Total City Employment
Glatfelter Paper Company	Paper Industry	1,235	3.96%
Ross County	County Government	925	2.96%
Wal-Mart	Retail	855	2.74%
Chillicothe City Schools	Education	536	1.72%
Ohio University-Chillicothe	College Campus	581	1.86%
City of Chillicothe	City Government	327	1.05%
Lowe's	Retail	229	0.73%
Horizon Family of Companies	Communications	160	0.51%
Time Warner	Cable TV/Internet	107	0.34%
American Electric Power	Utility center	22	0.07%
Total		<u>4,977</u>	<u>15.94%</u>
Total Employment Within the City		<u>31,203</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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Square Footage Occupied	39,577	39,577	39,577	39,577	39,577	39,577	39,577	39,577	39,577	39,577
Administrative Vehicles	0	0	0	0	1	2	1	2	2	2
Engineering Vehicles	8	7	3	6	3	3	6	4	4	4
Municipal Court Vehicles	3	4	2	3	3	3	3	3	4	4
Service Department Vehicles	40	43	42	34	37	34	40	34	37	37
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Building	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392	36,392
Vehicles	38	39	31	39	35	30	32	29	36	39
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Building	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476	23,476
Vehicles	26	26	19	20	15	15	16	15	15	15
Recreation										
Number of Parks	13	13	13	13	14	14	14	14	15	15
Number of Pools	1	1	1	1	3	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	6	6	6	6	6	6	6	6
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	25	25	26	20	25	25	26	26	26	23
Volleyball Courts	0	0	3	3	3	6	3	3	3	3
Floodwall										
Miles	5	5	5	5	5	5	5	5	5	5
Transportation										
Square Footage of Building	18,855	18,855	18,855	18,855	18,855	18,855	18,855	18,855	25,800	25,800
Vehicles	24	23	25	25	22	31	27	25	26	27
Water Department										
Water Lines (miles)	136	136	137	137	137	137	137	137	137	137
Vehicles	21	21	16	18	18	19	17	20	20	19
Sewer Department										
Sewer Lines/Storm Sewer (miles)	106	106	106	106	106	106	106	106	106	106
Vehicles	14	14	21	22	22	22	17	18	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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Council	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Auditor	4.5	5.0	4.5	3.5	5.0	5.0	5.0	4.5	5.0	6.0
Income Tax	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Treasurer	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5
Mayor	3.5	3.5	4.0	4.0	5.0	4.5	2.5	4.5	3.5	1.5
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Law Director	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5
Engineering	5.0	5.0	5.5	6.0	6.0	5.0	5.0	4.0	4.0	5.0
Civil Service	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Court	22.0	22.0	20.5	20.5	22.5	22.5	21.0	21.5	23.0	22.5
Security of Persons and Property										
Police	46.0	53.0	53.0	57.0	56.0	49.0	54.0	53.0	54.0	55.0
Fire	39.0	43.0	45.0	49.0	49.0	49.0	47.0	46.0	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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Parks	1.5	3.0	3.0	3.5	6.5	6.0	6.0	6.0	8.0	8.0
Recreation	3.5	4.0	5.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Transportation										
Service	17.0	14.0	24.0	24.5	23.0	44.5	19.5	22.5	27.5	27.0
Transit	31.0	33.0	41.0	34.5	33.5	31.0	29.5	30.5	31.0	30.0
Basic Utility Services										
Water	26.0	26.5	25.5	27.0	23.0	19.0	27.0	29.0	28.0	28.0
Sewer	16.0	15.0	15.0	16.0	20.0	24.0	14.5	16.0	17.0	17.0
Totals:	<u>229.5</u>	<u>245.0</u>	<u>264.0</u>	<u>265.5</u>	<u>265.5</u>	<u>274.5</u>	<u>246.0</u>	<u>252.5</u>	<u>262.0</u>	<u>267.5</u>

Source: City Payroll Department W-2 Audit Listing

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

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

Function/Program	2015	2016	2017	2018
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	133	95	115	115
Number of Resolutions Passed	16	17	28	14
Number of Planning Commission Docket Items	12	16	13	16
Zoning Board of Appeals Docket Items	18	21	18	36
Design and Review Board Docket Items	40	49	32	38
<i>Finance Department</i>				
Number of Checks/Vouchers Issued	5,289	4,798	5,221	5,138
Amount of Checks Written	\$34,912,698	\$29,655,614	\$29,523,145	\$31,016,337
Interest Earnings for fiscal year (cash basis)	\$15,131	\$46,212	\$56,528	\$155,123
Number of Receipts Issued	2,325	2,216	3,054	2,819
Agency Ratings - Moody's Financial Services	A2	A2	A2	A2
General Fund Receipts (cash basis)	\$16,385,326	\$18,509,640	\$19,797,937	\$19,910,249
General Fund Expenditures (cash basis)	\$16,002,738	\$17,918,806	\$18,218,572	\$20,592,475
General Fund Cash Balances	\$1,770,329	\$2,010,718	\$2,667,376	\$2,926,904
<i>Income Tax Department</i>				
Number of Individual Returns	6,489	6,251	6,383	6,984
Amount of Business Returns	2,022	2,082	1,982	2,094
Number of Business Withholding Accounts	2,086	2,239	2,224	2,422
Amount of Penalties and Interest Collected	\$119,010	\$69,032	\$78,576	\$94,785
Annual Number of Corporate Withholding Forms Processed	13,190	16,614	16,344	16,188
Annual Number of Balance Due Statements Forms Processed	1,658	1,356	1,528	1,499
Annual Number of Estimated Payment Forms Processed	1,576	1,696	1,502	1,427
Annual Number of Reconciliations of Withholding Processed	1,732	1,821	1,981	1,926
<i>Engineering Department</i>				
Dollar Amount of Construction Overseen by Engineer	\$1,200,000	\$1,200,000	\$1,893,070	\$1,101,149
<i>Municipal Court</i>				
Number of Civil Cases	1,311	1,392	1,793	2,161
Amount of Criminal Cases	3,082	3,853	4,228	4,302
Amount of Traffic Cases	9,267	9,934	9,547	7,926
Amount of Small Claims Cases	274	244	270	263

Source: Departments of the City of Chillicothe

2019	2020	2021	2022	2023	2024
117	111	85	94	85	91
17	21	20	34	41	15
17	12	23	12	15	6
2	35	26	39	49	22
1	45	43	33	34	34
5,117	4,413	4,744	4,406	5,959	4,634
\$34,277,502	\$34,757,308	\$34,895,010	\$24,923,706	\$52,091,030	\$27,055,964
\$224,871	\$171,107	\$90,614	\$102,374	\$388,299	\$590,924
2,858	2,333	2,403	2,642	2,014	2,204
A2	A2	A2	A2	A2	A2
\$21,997,479	\$22,152,856	\$20,860,120	\$23,005,681	\$26,102,519	\$29,452,892
\$22,269,346	\$21,647,982	\$21,377,947	\$27,074,625	\$27,418,589	\$30,024,866
\$2,655,036	\$4,620,058	\$4,102,231	\$4,761,627	\$5,152,726	\$5,863,120
6,870	6,053	6,013	5,803	5,018	5,339
2,043	1,990	2,432	2,020	1,892	1,823
2,498	2,119	17,932	2,669	2,606	2,534
\$122,118	\$83,617	\$77,602	\$72,328	\$72,574	\$77,507
16,604	17,353	17,932	19,903	20,342	21,347
1,309	1,270	1,192	1,274	1,135	1,128
1,642	1,457	1,916	2,247	1,906	1,854
1,840	2,020	1,969	2,057	2,003	1,937
\$1,868,803	\$1,542,231	\$2,108,000	\$2,067,445	\$3,080,796	\$1,954,946
2,141	1,489	1,545	1,727	1,882	2,375
4,333	3,093	2,763	2,683	2,521	2,604
7,269	6,239	7,513	7,598	6,921	7,151
191	167	152	187	175	183

(continued)

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

Function/Program	2015	2016	2017	2018
<i>Civil Service</i>				
Number of Police Entry Tests Administered	1	0	110	0
Number of Fire Entry Tests Administered	1	0	43	0
Number of Police Promotional Tests Administered	3	0	5	0
Number of Fire Promotional Tests Administered	2	0	0	8
Number of Hires of Police Officers from Certified Lists	7	8	1	3
Number of Hires of Fire/Medics Officers from Certified Lists	2	3	0	5
Number of Promotions from Police Certified Lists	4	0	0	0
Number of Promotions from Fire Certified Lists	1	2	0	2
<i>Building Department Indicators</i>				
Construction Permits Issued	11	16	6	7
Estimated Value of Construction	\$2,007,034	\$3,678,195	\$1,885,000	\$1,955,994
Number of Permits Issued	857	742	681	412
Amount of Revenue Generated from Permits	\$194,320	\$198,007	\$246,735	\$38,865
Number of Contractor Registrations Issued	297	350	185	260
Revenue Generated from Above	\$4,432	\$3,500	\$18,500	\$26,000
<i>Police Department</i>				
Total Calls for Service	24,557	27,700	28,304	29,802
Number of Traffic Citations Issued	1,978	2,795	3,070	3,255
Number of Parking Citations Issued	N/A	517	2,075	282
Number of Criminal Arrests	2,984	4,064	5,092	5,098
Number of Accident Reports Completed	1,289	1,262	1,147	1,095
DUI Arrests	97	183	139	141
Prisoner costs for room and board	\$0	\$0	\$0	\$0
Motor Vehicle Accidents	896	958	891	886
Property Damage Accidents	393	304	256	209
Fatalities from Motor Vehicle Accidents	1	1	0	0
Gasoline Costs of Fleet	\$53,367	\$51,510	\$69,487	\$83,286
DARE Program hours	1,600	1,600	1,600	1,700
<i>Fire Department</i>				
EMS Calls	4,866	5,316	5,399	5,737
Ambulance Billing Collections (net)	\$994,663	\$1,035,755	\$1,079,703	\$1,042,483
Fire Calls	840	997	919	927
Fires with Loss	39	69	62	61
Fires with Losses Exceeding \$10K	11	13	14	14
Fire Losses \$	\$515,667	\$696,453	\$550,870	\$1,067,371
Fire Safety Inspections	500	673	538	993
Number of Times Mutual Aid Given to Fire	4	11	21	3
Number of Times Mutual Aid Received for Fire	5	2	3	9
Number of Injuries Requiring Medical Attention	1	3	1	5
Fatalities Due to Fire	0	0	2	0

Source: Departments of the City of Chillicothe

2019	2020	2021	2022	2023	2024
1	44	39	0	0	21
0	29	0	1	1	1
0	5	5	1	1	1
0	2	0	2	0	0
1	4	7	6	6	5
1	2	0	0	0	0
0	3	1	1	1	1
3	2	0	0	0	0
19	20	20	15	7	9
\$5,002,821	\$97,584	\$5,542,841	\$5,312,477	\$2,000,607	\$9,477,351
469	428	387	450	617	522
\$45,238	\$39,496	\$35,654	\$42,115	\$43,311	\$47,812
313	320	335	229	234	262
\$15,381	\$32,000	\$33,500	\$22,900	\$23,400	\$26,200
28,433	26,338	26,986	26,127	19,335	20,572
2,375	1,332	684	1,000	1,239	1,711
733	553	1,406	510	518	1,008
5,497	2,379	2,762	2,508	2,252	2,079
1,122	1,194	618	1,117	1,057	998
132	67	66	70	86	84
\$0	\$0	\$0	\$0	\$0	\$0
891	882	618	1,117	1,057	1,057
231	312	0	0	0	8
0	1	2	0	0	0
\$82,073	\$0	\$66,058	\$86,752	\$78,852	\$78,155
1,700	1,500	1,203	826	0	200
5,920	5,457	6,039	6,154	5,630	5,388
\$1,080,824	\$992,139	\$1,143,171	\$1,211,730	\$1,170,847	\$1,165,235
844	1,077	1,065	1,087	1,087	1,027
47	46	31	44	31	19
22	9	8	22	10	11
\$1,321,350	\$277,050	\$533,955	\$1,010,045	\$341,330	\$616,350
1,378	739	976	1,297	1,563	1,314
3	3	9	1	2	0
12	8	6	17	12	8
4	1	2	2	0	0
1	0	0	3	0	1

(continued)

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

Function/Program	2015	2016	2017	2018
Leisure Time Activities				
<i>Recreation Department</i>				
Recreation Swimming Pool Receipts	\$61,315	\$77,083	\$87,426	\$82,525
Recreation Mens, Women and Chillicothe Leagues Receipts	\$0	\$4,700	\$1,400	\$9,375
Number of Tree License Issues	13	20	17	16
Amount of Revenue from Tree License	\$325	\$1,425	\$425	\$400
Total Acreage All Parks	876	876	876	876
Transportation				
<i>Street Construction & State Highway</i>				
Street Sweeper (hours)	900	950	950	800
Cold Patch (hours)	2,000	2,050	2,050	2,400
Snow and Ice Removal (regular hours)	850	96	100	856
Snow and Ice Removal (overtime hours)	877	0	100	650
Leaf Collection (hours)	3,200	3,300	3,300	3,500
Downtown Square Repair after Events (hours)	70	75	80	70
Tons of Snow Melting Salt Purchased (Nov-Mar)	950	240	300	950
Cost of Salt Purchased	\$79,999	\$11,087	\$19,551	\$43,871
Basic Utility Services				
<i>Refuse Department</i>				
Refuse Disposal per year (in tons) August through July	7,514	7,654	6,799	7,231
Refuse Disposal cost per year August through July	\$281,235	\$286,413	\$254,407	\$251,642
<i>Water Department (2)</i>				
Water Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	12.65	12.65	12.65	12.65
Water Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	18.99	18.85	18.99	18.99
Total Water Collections Annually (including P&I)	\$4,160,214	\$4,407,356	\$4,062,891	\$4,564,948
Number of Active Customers	9,417	10,133	9,455	10,318
<i>WasteWater Department (3)</i>				
Sewer Rates per 1st 300 Cu ft of Water Used (Inside City) bimonthly	9.29	9.60	9.60	9.99
Sewer Rates per 1st 300 Cu ft of Water Used (Outside City) bimonthly	13.91	14.37	14.37	15.25
Total Flow of Wastewater Treatment Plant (Millions of Gallons)	845.500	738.030	718.670	828.050
Tons of Dry Sludge Removed	346.000	373.460	300.060	270.000
Wastewater Calls for Service	109	204	240	260
After Hours Wastewater Calls for Service (hours)	142	326	320	340
Sewer Jet, Vac-all, other services (hours)	3,000	3,400	3,200	3,400

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).

2019	2020	2021	2022	2023	2024
\$78,357	\$0	\$76,954	\$102,829	\$98,156	\$128,144
\$1,400	\$2,500	\$0	\$2,000	\$1,580	\$2,500
10	7	8	10	2	16
\$250	\$165	\$276	\$250	\$50	\$400
877	877	877	877	878	878
800	850	700	825	875	875
2,200	2,400	2,000	2,150	2,000	2,000
900	900	450	335	325	325
650	126	150	115	110	110
3,500	3,500	350	3,500	3,500	3,500
80	75	90	120	150	150
930	800	864	262	345	345
\$40,213	\$34,592	\$55,312	\$49,930	\$27,469	\$27,469
7,683	7,713	8,487	8,492	8,293	8,293
\$295,027	\$308,520	\$358,224	\$370,545	\$368,962	\$368,962
12.65	12.65	7.99	7.99	8.15	8.15
18.99	18.99	12.00	12.00	12.24	12.24
\$4,224,463	\$4,179,476	\$4,246,328	\$4,567,748	\$4,567,748	\$4,833,952
10,205	10,160	10,381	9,760	9,709	9,709
10.45	10.39	6.98	6.98	7.54	7.54
15.64	15.64	10.46	10.46	11.30	11.30
679.378	852.473	879.650	1,202.000	1,094.899	884.300
270.000	434.850	79.780	379.000	464.640	464.640
250	230	153	166	154	154
330	320	280	326	308	308
3,300	3,300	3,300	3,300	3,300	3,300

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 12/11/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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