CITY OF CLYDE

SANDUSKY COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of Clyde
225 Main Street
Clyde, Ohio 43410

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

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 Clyde is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

November 19, 2024

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CITY OF CLYDE
SANDUSKY COUNTY, OHIO

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Julian & Grube
333 County Line Road, West
Westerville, OH 43082
614-846-1899
jginc.biz

Independent Auditor's Report

City of Clyde
Sandusky County
222 North Main Street
Clyde, Ohio 43410

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clyde, Sandusky County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Clyde's basic financial statements as listed in the table of contents.

In our opinion, the 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 Clyde, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Clyde 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 described in Note 3 to the financial statements, the City of Clyde restated net position at January 1, 2023 due to a reappraisal of capital assets during 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Clyde'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 generally accepted auditing standards 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 generally accepted auditing standards 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 of Clyde'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 of Clyde'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, schedules of net pension and other postemployment benefit assets and liabilities and pension and other post-employment benefit contributions, listed in the table of contents 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024 on our consideration of the City of Clyde'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 of Clyde'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 of Clyde's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
October 14, 2024

The management's discussion and analysis of the City of Clyde's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position of the City increased $2,682,428. Net position of governmental activities decreased $449,968 or 1.91% from 2022's restated net position and net position of business-type activities increased $3,132,396 or 9.18% over 2022's restated net position.

- General revenues accounted for $7,180,626 or 82.19% of total governmental activities revenue. Program specific revenues accounted for $1,555,798 or 17.81% of total governmental activities revenue of $8,736,424.

- The City had $9,186,392 in expenses related to governmental activities; $1,555,798 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of $7,630,594 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of $7,180,626.

- The general fund had revenues and other financing sources of $6,046,033 in 2023. This represents a decrease of $189,863 from 2022 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled $6,655,089 in 2023, represent an increase of $1,532,526 from 2022. The net decrease in fund balance for the general fund was $609,056 or 13.67%.

- The permanent improvement fund had revenues of $1,541,074 in 2023. This represents a decrease of $637,029 from 2022 revenues. The expenditures of the permanent improvement fund, which totaled $1,541,577 in 2023, represent a decrease of $909,023 from 2022 expenditures and other financing uses. The net decrease in fund balance for the permanent improvement fund was $503 or .03%.

- Net position for the business-type activities, which are made up of the water, sewer, and electric enterprise funds, increased in 2023 by $3,132,396.

- In the general fund, the actual revenues came in greater than the final budgeted revenues by $708,350 and actual expenditures and other financing uses were $409,370 less than the amount in the final budget. These variances are the result of the City's conservative budgeting. Budgeted revenues were unchanged from the original budget to the final budget. Total budgeted expenditures and other financing uses were increased $718,688 during the year.

The Basic Financial Statements

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in those assets. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including Federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, and electric operations are reported here.

Reporting the City's Most Significant Funds

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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the City's most significant funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and the capital projects permanent improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and electric functions. All of the City's enterprise funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

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 statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary fund is a private-purpose trust.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability/asset.

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Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2023 and 2022. Amounts in the governmental activities and business-type activities 2022 columns in the table below have been restated due to a reappraisal of capital assets. (See Note 3 for details).

	Governmental Activities		Business-type Activities		Total	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
Assets						
Current and other assets	$ 9,493,745	$ 10,461,786	$22,789,060	$ 20,465,396	$ 32,282,805	$ 30,927,182
Capital assets, net	21,107,549	20,817,763	23,607,549	23,494,743	44,715,098	44,312,506
Total assets	30,601,294	31,279,549	46,396,609	43,960,139	76,997,903	75,239,688
Deferred outflows of resources						
Pension	2,485,853	1,321,327	1,777,495	625,171	4,263,348	1,946,498
OPEB	443,533	335,175	270,863	8,392	714,396	343,567
Total deferred outflows of resources	2,929,386	1,656,502	2,048,358	633,563	4,977,744	2,290,065
Liabilities						
Current liabilities	748,326	889,528	1,620,348	1,654,052	2,368,674	2,543,580
Long-term liabilities:						
Due within one year	251,525	314,208	366,118	368,325	617,643	682,533
Net pension liability	6,836,543	3,511,784	4,291,843	1,334,164	11,128,386	4,845,948
Net OPEB liability	352,003	463,812	89,740	-	441,743	463,812
Other amounts	714,951	865,150	4,699,432	4,893,949	5,414,383	5,759,099
Total liabilities	8,903,348	6,044,482	11,067,481	8,250,490	19,970,829	14,294,972
Deferred inflows of resources						
Property taxes	392,189	375,069	-	-	392,189	375,069
Leases	434,243	416,920	-	-	434,243	416,920
Pension	284,548	1,961,229	90,682	1,696,890	375,230	3,658,119
OPEB	368,995	541,026	31,062	522,976	400,057	1,064,002
Total deferred inflows of resources	1,479,975	3,294,244	121,744	2,219,866	1,601,719	5,514,110
Net position						
Net investment in capital assets	20,470,934	19,842,819	18,801,838	18,535,564	39,272,772	38,378,383
Restricted	1,377,605	1,449,929	1,057,737	1,038,915	2,435,342	2,488,844
Unrestricted	1,298,818	2,304,577	17,396,167	14,548,867	18,694,985	16,853,444
Total net position	$23,147,357	$ 23,597,325	$37,255,742	$ 34,123,346	$ 60,403,099	$ 57,720,671

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $60,403,099. At year-end, net position was $23,147,357 and $37,255,742 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 58.07% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure. The City's net investment in capital assets at December 31, 2023, was $20,470,934 and $18,801,838 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, $2,435,342, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a balance of $1,298,818.

The net pension liability for governmental activities increased $3,324,759, deferred outflow of resources related to pension increased $1,164,526 and deferred inflows of resources related to pension decreased $1,676,681. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund. Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

The net pension liability for business-type activities increased $2,957,679, deferred outflow of resources related to pension increased $1,152,324 and deferred inflows of resources related to pension decreased $1,606,208. These changes were the result of changes at the pension system level for the Ohio Public Employees Retirement System (OPERS) which are discussed in the paragraph above.

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The table below shows the changes in net position for 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Business-type Activities 2023	Governmental Activities 2022	Business-type Activities 2022	2023 Total	2022 Total
Revenues						
Program revenues:						
Charges for services	$ 440,145	$ 24,596,719	$ 351,274	$ 22,290,349	$ 25,036,864	$ 22,641,623
Operating grants and contributions	992,885	-	691,054	-	992,885	691,054
Capital grants and contributions	122,768	-	429,975	-	122,768	429,975
Total program revenues	1,555,798	24,596,719	1,472,303	22,290,349	26,152,517	23,762,652
General revenues:						
Property taxes	392,516	-	406,653	-	392,516	406,653
Income taxes	5,018,132	-	6,335,646	-	5,018,132	6,335,646
Other taxes	335,897	-	370,805	-	335,897	370,805
Unrestricted grants and entitlements	206,129	-	194,788	-	206,129	194,788
Investment earnings	964,791	-	177,323	1,678	964,791	179,001
Miscellaneous	263,161	47,494	292,032	530,082	310,655	822,114
Total general revenues	7,180,626	47,494	7,777,247	531,760	7,228,120	8,309,007
Total revenues	8,736,424	24,644,213	9,249,550	22,822,109	33,380,637	32,071,659
Expenses:						
General government	1,533,031	-	1,097,173	-	1,533,031	1,097,173
Security of persons and property	3,587,537	-	2,924,804	-	3,587,537	2,924,804
Public health and welfare	897,075	-	750,384	-	897,075	750,384
Transportation	1,020,048	-	876,669	-	1,020,048	876,669
Community environment	753,160	-	451,740	-	753,160	451,740
Leisure time activity	311,452	-	251,344	-	311,452	251,344
Economic development	456,982	-	-	-	456,982	-
Intergovernmental	600,000	-	-	-	600,000	-
Interest and fiscal charges	27,107	-	44,846	-	27,107	44,846
Water	-	2,990,380	-	2,342,352	2,990,380	2,342,352
Sewer	-	2,377,225	-	1,858,509	2,377,225	1,858,509
Electric	-	16,144,212	-	17,162,410	16,144,212	17,162,410
Total expenses	9,186,392	21,511,817	6,396,960	21,363,271	30,698,209	27,760,231
Change in net position	(449,968)	3,132,396	2,852,590	1,458,838	2,682,428	4,311,428
Net position at beginning of year (restated)	23,597,325	34,123,346	20,744,735	32,664,508	57,720,671	53,409,243
Net position at end of year	$ 23,147,357	$ 37,255,742	$ 23,597,325	$ 34,123,346	$ 60,403,099	$ 57,720,671

Governmental Activities

Governmental activities net position decreased $449,968 in 2023.

Expenses of the governmental activities increased $2,789,432 or 43.61%. This increase is primarily the result of the increase in pension and OPEB expense in 2023 compared to 2022, $600,000 refunded to the State of Ohio for income tax overpayments from Whirlpool, and $456,982 in economic development expenses spent on the redevelopment of 102-104 S. Main St.

Security of persons and property, which primarily supports the operations of the police and fire departments, had expenses of $3,587,537, which accounted for 39.05% of the total governmental activities expenses of the City. These expenses were partially funded by $169,049 in direct charges to users of the services and $57,117 in operating grants and contributions. Security of persons and property expenses increased $662,733 over 2022.

General government expenses totaled $1,533,031, which was partially funded by $127,757 in direct charges to users of the services. General government expenses increased $435,858 over 2022.

Transportation expenses totaled $1,020,048, which was partially funded by $475,686 in operating grants and contributions and $122,768 in capital grants and contributions. Transportation expenses account for the maintenance of the City's streets.

The State and federal government contributed to the City a total of $992,885 in operating grants and contributions and $122,768 in capital grants and contributions for governmental activities. These revenues are restricted to a particular program or purpose.

General revenues totaled $7,180,626 and amounted to 82.19% of total governmental revenues. These revenues primarily consist of tax (property, income, kilowatt hour, and hotel/motel) revenue of $5,746,545. Another source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue and property tax reimbursements, making up $206,129.

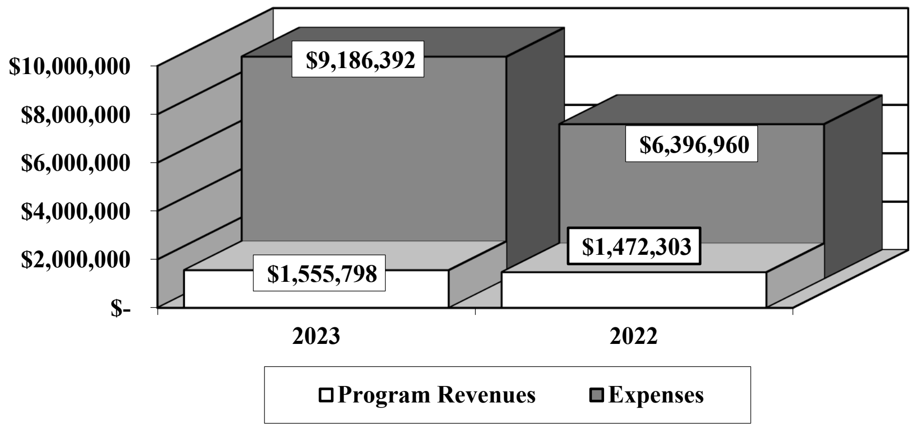
Income tax revenue decreased $1,317,514 or 20.80% from 2022. The decrease is due to a decline in payroll at two of the City's largest employers: Whirlpool and Revere Plastic Systems.

Governmental activities also had an increase in investment earnings of $787,468 compared to 2022. This is due to higher interest rates earned on the City's investments.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

The following graph shows program revenues and total expenses of the governmental activities for 2023 and 2022.

Governmental Activities – Program Revenues vs. Total Expenses



The following table shows the cost of services and net cost of services of the governmental activities for 2023 and 2022.

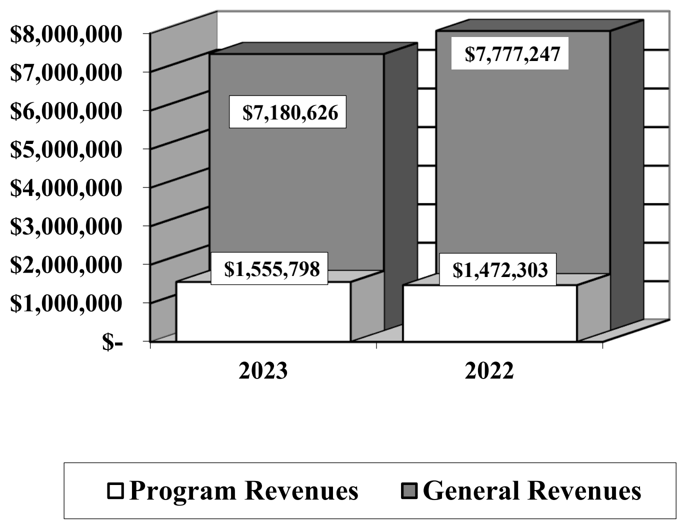
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
General government	$ 1,533,031	$ 1,405,274	$ 1,097,173	$ 921,905
Security of persons and property	3,587,537	3,361,371	2,924,804	2,715,698
Public health and welfare	897,075	865,207	750,384	725,139
Transportation	1,020,048	421,594	876,669	(59,885)
Community environment	753,160	731,684	451,740	428,034
Leisure time activity	311,452	218,357	251,344	148,920
Economic development	456,982	-	-	-
Intergovernmental	600,000	600,000	-	-
Interest and fiscal charges	27,107	27,107	44,846	44,846
Total	$ 9,186,392	$ 7,630,594	$ 6,396,960	$ 4,924,657

The dependence upon general revenues for governmental activities is apparent, with 83.06% and 76.98% of expenses supported through taxes and other general revenues for 2023 and 2022, respectively.

The following graph shows general and program revenues of governmental activities for 2023 and 2022.

Governmental Activities – General and Program Revenues

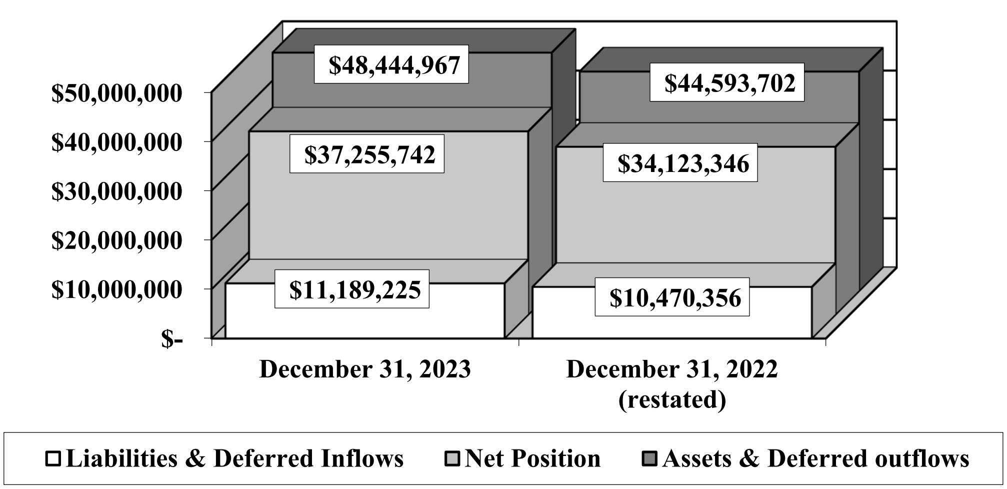


Business-Type Activities

Business-type activities include the water, sewer, and electric enterprise funds. These programs had program revenues of $24,596,719, general revenues of $47,494 and expenses of $21,511,817 for 2023. The water fund had expenses of $2,990,380, which were entirely funded by user charges for services of $3,310,151. The sewer fund had expenses of $2,377,225, which were 96.36% funded by user charges for services of $2,290,790. The electric fund had expenses of $16,144,212, which were entirely funded by user charges for services of $18,995,778. Expenses in the business-type activities increased in 2023 due to the increase in the pension and OPEB expense for 2023 and due to inflation.

The graph below shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at December 31, 2023 and 2022.

Net Position in Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds reported a combined fund balance of $6,903,925, which is $559,395 less than the previous year's fund balance of $7,463,320. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and nonmajor governmental funds.

	Fund Balances 12/31/23	Fund Balances 12/31/22	Change
Major fund:			
General	$ 3,844,959	$ 4,454,015	$ (609,056)
Permanent improvement	1,827,266	1,827,769	(503)
Nonmajor governmental funds	1,231,700	1,181,536	50,164
Total	$ 6,903,925	$ 7,463,320	$ (559,395)

General Fund

The City's general fund balance decrease of $609,056 is primarily due to decreasing income tax revenue. The table that follows assists in illustrating the revenues of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Revenues:			
Taxes	$ 4,299,131	$ 5,305,347	(18.97) %
Charges for services	209,888	168,193	24.79 %
Licenses, permits and fees	44,038	47,389	(7.07) %
Fines and forfeitures	10,249	4,821	112.59 %
Intergovernmental	211,673	192,944	9.71 %
Investment income	916,197	167,673	446.42 %
Rental income	44,820	31,388	42.79 %
Other	275,846	235,714	17.03 %
Total	$ 6,011,842	$ 6,153,469	(2.30) %

Tax revenue represents 71.51% of all general fund revenue. Tax revenue decreased 18.97% from 2022 due to decreasing payroll at two of the City's largest employers: Whirlpool and Revere Plastics. Investment income increased because of the increase in interest rates. All other revenues remained consistent with the prior year.

The table that follows assists in illustrating the expenditures of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Expenditures:			
General government	$ 1,379,186	$ 1,219,288	13.11 %
Security of persons and property	3,003,199	2,783,748	7.88 %
Public health and welfare	715,809	761,413	(5.99) %
Community environment	544,237	227,126	139.62 %
Intergovernmental	600,000	-	100.00 %
Debt service	70,919	70,988	(0.10) %
Total	$ 6,313,350	$ 5,062,563	24.71 %

Overall, general fund expenditures increased 24.71%. The $600,000 intergovernmental expenditure was the result of an overpayment to the State of Ohio for municipal net profits income tax from Whirlpool. The City had to refund this amount to the State of Ohio because Whirlpool overestimated their earnings in prior years.

Permanent Improvement Fund

The permanent improvement fund had revenues of $1,541,074 in 2023. This represents a decrease of $637,029 from 2022 revenues. The expenditures of the permanent improvement fund, which totaled $1,541,577 in 2023, represent a decrease of $909,023 from 2022 expenditures and other financing uses. The net decrease in fund balance for the permanent improvement fund was $503 or .03%.

Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

In the general fund, the actual revenues came in greater than the final budgeted revenues by $708,350 and actual expenditures and other financing uses were $409,370 less than the amount in the final budget. These variances are the result of the City's conservative budgeting. Budgeted revenues were unchanged from the original budget to the final budget. Total budgeted expenditures and other financing uses increased $718,688 during the year.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government-wide statements is activity between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

The City's proprietary funds, consisting of the enterprise funds water, sewer and electric, reported a combined increase in net position of $3,152,402. The most significant change in net position occurred in the electric fund, which increased $2,885,017 from 2022's restated net position. The increase in the net position of the proprietary funds was mostly due to increased charges for services revenues during 2023.

Capital Assets and Debt Administration

Capital Assets

The City has restated capital assets at December 31, 2022 due to a reappraisal (See Note 3 for detail). At the end of 2023 the City had $44,715,098 (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, land improvements, equipment, vehicles and infrastructure. Of this total, $21,107,549 was reported in governmental activities and $23,607,549 was reported in business-type activities. See Note 9 to the basic financial statements for more detail on the City's capital assets. The following table shows 2023 balances compared to the restated 2022 balances.

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
Land	$ 1,431,673	$ 1,431,673	$ 795,093	$ 795,093	$ 2,226,766	$ 2,226,766
Construction-in-progress	813,180	-	301,891	-	1,115,071	-
Land improvements	388,697	416,017	132,722	148,527	521,419	564,544
Buildings and improvements	3,254,152	3,380,190	4,152,183	4,000,530	7,406,335	7,380,720
Equipment	1,280,221	1,102,371	1,301,905	1,096,835	2,582,126	2,199,206
Vehicles	410,524	326,444	211,945	255,175	622,469	581,619
Infrastructure	13,529,102	14,161,068	16,711,810	17,198,583	30,240,912	31,359,651
Totals	$ 21,107,549	$ 20,817,763	$ 23,607,549	$ 23,494,743	$ 44,715,098	$ 44,312,506

The City's largest capital asset category is infrastructure which includes roads, bridges, and sidewalks. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant.

The City's largest business-type capital asset category is infrastructure that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 70.79% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
Police pension liability	$ 41,798	$ 44,579
Fire pumper truck loan	-	69,472
Street sweeper note	37,452	73,518
Dump truck note	65,300	96,611
Income tax bonds payable	533,863	657,373
Net pension liability	6,836,543	3,511,784
Net OPEB liability	352,003	463,812
Compensated absences	288,063	237,805
Total long-term obligations	$ 8,155,022	$ 5,154,954

	Business-type Activities	
	2023	2022
General obligation bonds	$ 3,200,000	$ 3,365,000
OWDA Loans	1,503,380	1,594,179
Net pension liability	4,291,843	1,334,164
Net OPEB liability	89,740	-
Compensated absences	362,170	303,095
Total long-term obligations	$ 9,447,133	$ 6,596,438

See Note 10 to the basic financial statements for more detail on the City's long-term obligations.

Economic Conditions and Outlook

Some of the City's significant accomplishments during 2023 are listed below:

• Total income tax revenue was $5,028,877. Of this amount $3,610,571 was the general fund's portion.

• The City began construction on the Woodland Ave. sanitary sewer project.

• The City purchased new trucks for the police and general service departments.

• The City purchased a new leaf collection system for the general service department.

• The City used over $450,000 of American Rescue Plan Act (ARPA) funds to redevelop and rehabilitate empty building space on Main Street.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Frank Weasner, Finance Director, City of Clyde, 222 N. Main Street, Clyde, Ohio 43410.

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 6,947,632	$ 16,934,220	$ 23,881,852
Cash with fiscal agent	1,054,580	-	1,054,580
Receivables (net of allowances for uncollectibles):			
Income taxes	705,886	-	705,886
Real and other taxes	405,276	71,144	476,420
Accounts	52,815	2,371,741	2,424,556
Due from other governments	305,945	-	305,945
Accrued interest	40,954	-	40,954
Leases receivable	447,043	-	447,043
Internal balance	(573,268)	573,268	-
Materials and supplies inventory	76,240	538,825	615,065
Prepayments	17,182	237,524	254,706
Land held for resale	-	1,004,601	1,004,601
Net pension asset	13,460	19,463	32,923
Restricted assets:			
Equity in pooled cash and cash equivalents	-	1,038,274	1,038,274
Capital assets:			
Nondepreciable capital assets	2,244,853	1,096,984	3,341,837
Depreciable capital assets, net	18,862,696	22,510,565	41,373,261
Total capital assets, net	21,107,549	23,607,549	44,715,098
Total assets	30,601,294	46,396,609	76,997,903
Deferred outflows of resources:			
Pension	2,485,853	1,777,495	4,263,348
OPEB	443,533	270,863	714,396
Total deferred outflows of resources	2,929,386	2,048,358	4,977,744
Liabilities:			
Accounts payable	192,472	1,370,091	1,562,563
Contracts payable	261,857	33,855	295,712
Accrued wages and benefits	86,730	65,295	152,025
Pension obligation payable	48,671	33,856	82,527
Due to other governments	13,789	68,831	82,620
Accrued interest payable	3,981	48,420	52,401
Claims payable	133,528	-	133,528
Unearned revenue	7,298	-	7,298
Long-term liabilities:			
Due within one year	251,525	366,118	617,643
Due in more than one year:			
Net pension liability	6,836,543	4,291,843	11,128,386
Net OPEB liability	352,003	89,740	441,743
Other amounts due in more than one year	714,951	4,699,432	5,414,383
Total liabilities	8,903,348	11,067,481	19,970,829
Deferred inflows of resources:			
Property taxes levied for the next year	392,189	-	392,189
Leases	434,243	-	434,243
Pension	284,548	90,682	375,230
OPEB	368,995	31,062	400,057
Total deferred inflows of resources	1,479,975	121,744	1,601,719
Net position:			
Net investment in capital assets	20,470,934	18,801,838	39,272,772
Restricted for:			
Debt service	-	1,038,274	1,038,274
Transportation projects	836,817	-	836,817
Public health programs	222,732	-	222,732
Police and fire programs	308,086	-	308,086
Pension	9,970	19,463	29,433
Unrestricted	1,298,818	17,396,167	18,694,985
Total net position	$ 23,147,357	$ 37,255,742	$ 60,403,099

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
General government.	$ 1,533,031	$ 127,757	$ -	$ -
Security of persons and property . . .	3,587,537	169,049	57,117	-
Public health and welfare	897,075	31,868	-	-
Transportation.	1,020,048	-	475,686	122,768
Community environment	753,160	18,376	3,100	-
Leisure time activity.	311,452	93,095	-	-
Economic development	456,982	-	456,982	-
Intergovernmental.	600,000	-	-	-
Interest and fiscal charges.	27,107	-	-	-
Total governmental activities	9,186,392	440,145	992,885	122,768
Business-type activities:				
Water.	2,990,380	3,310,151	-	-
Sewer	2,377,225	2,290,790	-	-
Electric	16,144,212	18,995,778	-	-
Total business-type activities	21,511,817	24,596,719	-	-
Total primary government	$ 30,698,209	$ 25,036,864	$ 992,885	$ 122,768

General revenues:
Property taxes levied for:
General purposes . . . .
Police pension. . . . .
Income taxes levied for:
General purposes . . . .
Capital outlay . . . .
Other taxes:
Kilowatt hour taxes. . . . .
Hotel/motel taxes. . . . .
Grants and entitlements not restricted
to specific programs . . . .
Investment earnings . . . .
Miscellaneous . . . .

Total general revenues . . . .

Change in net position . . . .

Net position at beginning of year (restated).

Net position at 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
$ (1,405,274)	$ -	$ (1,405,274)
(3,361,371)	-	(3,361,371)
(865,207)	-	(865,207)
(421,594)	-	(421,594)
(731,684)	-	(731,684)
(218,357)	-	(218,357)
-	-	-
(600,000)	-	(600,000)
(27,107)	-	(27,107)
(7,630,594)	-	(7,630,594)
-	319,771	319,771
-	(86,435)	(86,435)
-	2,851,566	2,851,566
-	3,084,902	3,084,902
(7,630,594)	3,084,902	(4,545,692)
355,775	-	355,775
36,741	-	36,741
3,603,049	-	3,603,049
1,415,083	-	1,415,083
288,973	-	288,973
46,924	-	46,924
206,129	-	206,129
964,791	-	964,791
263,161	47,494	310,655
7,180,626	47,494	7,228,120
(449,968)	3,132,396	2,682,428
23,597,325	34,123,346	57,720,671
$ 23,147,357	$ 37,255,742	$ 60,403,099

CITY OF CLYDE
SANDUSKY COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 3,654,409	$ 1,972,075	$ 1,176,442	$ 6,802,926
Receivables (net of allowance for uncollectibles):				
Income taxes	494,120	211,766	-	705,886
Real and other taxes	367,281	-	37,995	405,276
Accounts	52,815	-	-	52,815
Due from other governments	102,966	-	202,979	305,945
Accrued interest	40,954	-	-	40,954
Leases receivable	447,043	-	-	447,043
Due from other funds	72,382	-	-	72,382
Materials and supplies inventory	13,144	-	-	13,144
Prepayments	15,478	-	-	15,478
Total assets	$ 5,260,592	$ 2,183,841	$ 1,417,416	$ 8,861,849
Liabilities:				
Accounts payable	$ 188,228	$ -	$ 143	$ 188,371
Contracts payable	-	261,857	-	261,857
Accrued wages and benefits	71,886	2,503	1,580	75,969
Pension obligation payable	40,267	1,363	728	42,358
Due to other funds	-	-	1,594	1,594
Due to other governments	13,789	-	-	13,789
Unearned revenue	-	-	7,298	7,298
Total liabilities	314,170	265,723	11,343	591,236
Deferred inflows of resources:				
Property taxes levied for the next year	355,421	-	36,768	392,189
Delinquent property tax revenue not available	11,860	-	1,227	13,087
Accrued interest not available	17,494	-	-	17,494
Income tax revenue not available	211,986	90,852	-	302,838
Intergovernmental revenue not available	70,459	-	136,378	206,837
Leases	434,243	-	-	434,243
Total deferred inflows of resources	1,101,463	90,852	174,373	1,366,688
Fund balances:				
Nonspendable	28,622	-	-	28,622
Restricted	-	-	1,230,321	1,230,321
Committed	11,000	1,827,266	-	1,838,266
Assigned	1,654,753	-	5,424	1,660,177
Unassigned (deficit)	2,150,584	-	(4,045)	2,146,539
Total fund balances	3,844,959	1,827,266	1,231,700	6,903,925
Total liabilities, deferred inflows of resources and fund balances	$ 5,260,592	$ 2,183,841	$ 1,417,416	$ 8,861,849

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		$ 6,903,925
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.		18,444,321
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	$ 302,838	
Real and other taxes receivable	13,087	
Intergovernmental receivable	206,837	
Accrued interest receivable	17,494	
Total		540,256
Internal service funds are used by management to charge the costs of employee benefits and service department to individual funds. The assets and liabilities of the internal service funds (including internal balances of $644,056) are included in governmental activities on the statement of net position.		2,583,787
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(3,072)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	9,970	
Deferred outflows of resources	2,152,742	
Deferred inflows of resources	(284,073)	
Net pension liability	(6,066,859)	
Total		(4,188,220)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	395,090	
Deferred inflows of resources	(363,685)	
Net OPEB liability	(335,909)	
Total		(304,504)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(253,475)	
Police pension liability	(41,798)	
Income tax bonds payable	(533,863)	
Total		(829,136)
Net position of governmental activities		$ 23,147,357

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Income taxes	$ 3,610,571	$ 1,418,306	$ 36,528	$ 5,065,405
Real and other taxes	688,560	-	-	688,560
Charges for services	209,888	-	75,217	285,105
Licenses and permits	44,038	-	-	44,038
Fines and forfeitures	10,249	-	467	10,716
Intergovernmental	211,673	122,768	908,269	1,242,710
Investment income	916,197	-	21,448	937,645
Rental income	44,820	-	6,425	51,245
Contributions and donations	9,738	-	49,969	59,707
Other	266,108	-	11,903	278,011
Total revenues	6,011,842	1,541,074	1,110,226	8,663,142
Expenditures:				
Current:				
General government	1,379,186	-	-	1,379,186
Security of persons and property	3,003,199	-	30,298	3,033,497
Public health and welfare	715,809	-	-	715,809
Transportation	-	-	464,180	464,180
Community environment	544,237	306,180	-	850,417
Leisure time activity	-	-	297,140	297,140
Economic development	-	-	456,982	456,982
Capital outlay	-	1,091,344	75,980	1,167,324
Intergovernmental	600,000	-	-	600,000
Debt service:				
Principal retirement	69,472	123,510	2,781	195,763
Interest and fiscal charges	1,447	20,543	1,865	23,855
Total expenditures	6,313,350	1,541,577	1,329,226	9,184,153
Excess of expenditures over revenues	(301,508)	(503)	(219,000)	(521,011)
Other financing sources (uses):				
Transfers in	-	-	341,739	341,739
Transfers (out)	(341,739)	-	(72,575)	(414,314)
Insurance recoveries	34,191	-	-	34,191
Total other financing sources (uses)	(307,548)	-	269,164	(38,384)
Net change in fund balances	(609,056)	(503)	50,164	(559,395)
Fund balances at beginning of year	4,454,015	1,827,769	1,181,536	7,463,320
Fund balances at end of year	$ 3,844,959	$ 1,827,266	$ 1,231,700	$ 6,903,925

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds		$ (559,395)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (excluding internal service funds) is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 1,018,583	
Current year depreciation	(992,705)	
Total		25,878
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(10,745)	
Real and other taxes	3,325	
Intergovernmental revenues	(2,083)	
Investment income	17,494	
Total		7,991
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		195,763
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditures is reported when due.		1,221
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(50,058)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	416,762	
OPEB	8,043	
Total		424,805
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(855,962)	
OPEB	46,169	
Total		(809,793)
The internal service funds used by management to charge the costs of insurance and the City service department to individual funds are not reported in the statement of statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal internal service funds, including internal balances of ($20,006), is allocated among the governmental activities.		313,620
Change in net position of governmental activities		$ (449,968)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Income taxes	$ 3,250,000	$ 3,250,000	$ 3,456,965	$ 206,965
Real and other taxes	591,600	591,600	681,356	89,756
Charges for services	177,500	177,500	160,550	(16,950)
Licenses and permits	47,400	47,400	44,038	(3,362)
Fines and forfeitures	6,000	6,000	9,754	3,754
Intergovernmental	140,000	140,000	203,788	63,788
Investment income	689,500	689,500	847,290	157,790
Rental income	32,000	32,000	41,392	9,392
Contributions and donations	5,000	5,000	6,638	1,638
Other	111,000	111,000	272,388	161,388
Total revenues	5,050,000	5,050,000	5,724,159	674,159
Expenditures:				
Current:				
General government	1,267,777	1,301,141	1,292,721	8,420
Security of persons and property	3,697,182	3,697,182	3,432,166	265,016
Public health and welfare	944,301	958,227	838,689	119,538
Community environment	846,027	846,027	546,631	299,396
Intergovernmental	-	600,000	600,000	-
Total expenditures	6,755,287	7,402,577	6,710,207	692,370
Excess of expenditures over revenues	(1,705,287)	(2,352,577)	(986,048)	1,366,529
Other financing sources (uses):				
Transfers (out)	(317,000)	(988,398)	(671,398)	317,000
Insurance recoveries	-	-	34,191	34,191
Total other financing uses	(317,000)	(988,398)	(637,207)	351,191
Net change in fund balances	(2,022,287)	(3,340,975)	(1,623,255)	1,717,720
Fund balances at beginning of year	3,559,618	3,559,618	3,559,618	-
Prior year encumbrances appropriated	352,350	352,350	352,350	-
Fund balance at end of year	$ 1,889,681	$ 570,993	$ 2,288,713	$ 1,717,720

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	**Sewer**	**Electric**	**Total**	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	$ 3,156,553	$ 1,990,221	$ 11,787,446	$ 16,934,220	$ 144,706
Cash with fiscal agent	-	-	-	-	1,054,580
Receivables:					
Real and other taxes	-	-	71,144	71,144	-
Accounts	347,687	228,911	1,795,143	2,371,741	-
Materials and supplies inventory	14,687	83,644	440,494	538,825	63,096
Prepayments	204,705	11,493	21,326	237,524	1,704
Land held for resale	-	-	1,004,601	1,004,601	-
Total current assets	3,723,632	2,314,269	15,120,154	21,158,055	1,264,086
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	764,071	-	274,203	1,038,274	-
Net pension asset	6,892	5,579	6,992	19,463	3,490
Capital assets:					
Nondepreciable capital assets	506,893	566,747	23,344	1,096,984	-
Depreciable capital assets, net	7,530,480	7,045,174	7,934,911	22,510,565	2,663,228
Total capital assets, net	8,037,373	7,611,921	7,958,255	23,607,549	2,663,228
Total noncurrent assets	8,808,336	7,617,500	8,239,450	24,665,286	2,666,718
Total assets	12,531,968	9,931,769	23,359,604	45,823,341	3,930,804
Deferred outflows of resources:					
Pension	631,862	505,425	640,208	1,777,495	333,111
OPEB	96,220	77,143	97,500	270,863	48,443
Total deferred outflows of resources	728,082	582,568	737,708	2,048,358	381,554

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CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	**Sewer**	**Electric**	**Total**	
Liabilities:					
Current liabilities:					
Accounts payable	$ 28,421	$ 27,988	$ 1,313,682	$ 1,370,091	$ 4,101
Contracts payable	9,655	-	24,200	33,855	-
Accrued wages and benefits	24,372	20,044	20,879	65,295	10,761
Pension obligation payable	12,775	9,845	11,236	33,856	6,313
Compensated absences	25,630	27,661	11,033	64,324	7,693
Due to other funds	-	-	70,788	70,788	-
Due to other governments	-	68,475	356	68,831	-
Claims payable	-	-	-	-	133,528
Accrued interest payable	40,000	8,420	-	48,420	909
Promissory notes payable - current	-	-	-	-	69,644
OWDA loans payable - current	-	131,794	-	131,794	-
Payable from restricted assets:					
Current portion of general obligation bonds	170,000	-	-	170,000	-
Total current liabilities	310,853	294,227	1,452,174	2,057,254	232,949
Long-term liabilities:					
Compensated absences	190,842	68,953	38,051	297,846	26,895
General obligation bonds	3,030,000	-	-	3,030,000	-
OWDA loans payable	-	1,371,586	-	1,371,586	-
Promissory notes payable	-	-	-	-	33,108
Net pension liability	1,519,743	1,230,308	1,541,792	4,291,843	769,684
Net OPEB liability	31,777	25,725	32,238	89,740	16,094
Total long-term liabilities	4,772,362	2,696,572	1,612,081	9,081,015	845,781
Total liabilities	5,083,215	2,990,799	3,064,255	11,138,269	1,078,730
Deferred inflows of resources:					
Pension	48,212	23,355	19,115	90,682	475
OPEB	10,939	9,202	10,921	31,062	5,310
Total deferred inflows of resources	59,151	32,557	30,036	121,744	5,785
Net position:					
Net investment in capital assets	4,827,718	6,040,065	7,934,055	18,801,838	2,560,476
Restricted for pension	6,892	5,579	6,992	19,463	3,490
Restricted for debt service	764,071	-	274,203	1,038,274	-
Unrestricted	2,519,003	1,445,337	12,787,771	16,752,111	663,877
Total net position	$ 8,117,684	$ 7,490,981	$ 21,003,021	36,611,686	$ 3,227,843
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				644,056	
Net position of business-type activities				$ 37,255,742	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	**Sewer**	**Electric**	**Total**	
Operating revenues:					
Charges for services	$ 3,310,151	$ 2,290,790	$ 18,995,778	$ 24,596,719	$ 2,921,927
Other operating revenues	6,120	3,878	37,496	47,494	160,769
Total operating revenues	3,316,271	2,294,668	19,033,274	24,644,213	3,082,696
Operating expenses:					
Personal services	1,281,637	1,041,064	1,327,144	3,649,845	656,066
Contract services	538,512	677,745	13,650,598	14,866,855	583,047
Materials and supplies	566,065	286,888	425,540	1,278,493	245,695
Claims expense	-	-	-	-	1,237,916
Depreciation	425,109	350,963	352,563	1,128,635	163,708
Other	1,526	2,445	48,637	52,608	1,852
Total operating expenses	2,812,849	2,359,105	15,804,482	20,976,436	2,888,284
Operating income (loss)	503,422	(64,437)	3,228,792	3,667,777	194,412
Nonoperating revenues (expenses):					
Interest and fiscal charges	(164,187)	(7,413)	-	(171,600)	(4,473)
Loss on sale of assets	-	-	(58,595)	(58,595)	-
Interest income	-	-	-	-	31,100
Excise tax expense	-	-	(285,180)	(285,180)	-
Total nonoperating revenues (expenses)	(164,187)	(7,413)	(343,775)	(515,375)	26,627
Income before transfers	339,235	(71,850)	2,885,017	3,152,402	221,039
Transfers in	-	-	-	-	72,575
Change in net position	339,235	(71,850)	2,885,017	3,152,402	293,614
Net position at beginning of year (restated)	7,778,449	7,562,831	18,118,004		2,934,229
Net position at end of year	$ 8,117,684	$ 7,490,981	$ 21,003,021		$ 3,227,843
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				(20,006)	
Change in net position of business-type activities.				$ 3,132,396	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Electric	Total	
Cash flows from operating activities:					
Cash received from charges for services	$ 3,301,818	$ 2,294,719	$ 19,020,486	$ 24,617,023	$ 2,921,927
Cash received from other operations	6,120	3,878	37,496	47,494	160,769
Cash payments for personal services.	(1,250,596)	(1,004,891)	(1,280,391)	(3,535,878)	(637,457)
Cash payments for contractual services	(734,263)	(713,848)	(13,729,979)	(15,178,090)	(583,507)
Cash payments for materials and supplies	(506,019)	(323,747)	(450,253)	(1,280,019)	(270,117)
Cash payments for claims	-	-	-	-	(1,231,078)
Cash payments for other expenses	(1,526)	(2,445)	(48,637)	(52,608)	(1,852)
Net cash provided by operating activities	815,534	253,666	3,548,722	4,617,922	358,685
Cash flows from noncapital financing activities:					
Cash received from transfers in	-	-	-	-	72,575
Cash payments for excise taxes.	-	-	(285,180)	(285,180)	-
Net cash provided by (used in) noncapital financing activities.	-	-	(285,180)	(285,180)	72,575
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(148,023)	(404,468)	(655,095)	(1,207,586)	(427,616)
Cash payments for principal retirement.	(165,000)	(90,799)	-	(255,799)	(67,377)
Cash payments for interest and fiscal charges.	(166,250)	(9,060)	-	(175,310)	(5,198)
Net cash used in capital and related financing activities.	(479,273)	(504,327)	(655,095)	(1,638,695)	(500,191)
Cash flows from investing activities:					
Interest received	-	-	-	-	31,100
Net cash provided by investing activities.	-	-	-	-	31,100
Net increase (decrease) in cash and cash equivalents	336,261	(250,661)	2,608,447	2,694,047	(37,831)
Cash and cash equivalents at beginning of year	3,584,363	2,240,882	9,453,202	15,278,447	1,237,117
Cash and cash equivalents at end of year	$ 3,920,624	$ 1,990,221	$ 12,061,649	$ 17,972,494	$ 1,199,286

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CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	**Sewer**	**Electric**	**Total**	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 503,422	$ (64,437)	$ 3,228,792	$ 3,667,777	$ 194,412
Adjustments:					
Depreciation	425,109	350,963	352,563	1,128,635	163,708
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Change in materials and supplies inventory	50,492	(54,397)	-	(3,905)	(6,377)
Change in accounts receivable	(8,333)	3,929	24,708	20,304	-
Change in prepayments	(196,250)	(2,509)	(1,386)	(200,145)	19
Change in net pension asset	4,406	3,235	3,894	11,535	1,479
Change in net OPEB asset	169,119	131,945	162,956	464,020	74,383
Change in deferred outflows - pension	(395,982)	(341,889)	(414,453)	(1,152,324)	(234,334)
Change in deferred outflows - OPEB	(92,319)	(76,207)	(93,945)	(262,471)	(47,386)
Change in accounts payable	10,053	(55,329)	(102,708)	(147,984)	(18,524)
Change in accrued wages and benefits	6,495	6,039	4,143	16,677	3,176
Change in intergovernmental payable	-	65,500	-	65,500	-
Change in compensated absences payable	30,794	21,684	6,597	59,075	200
Change in pension obligation payable	1,274	1,168	(511)	1,931	208
Change in claims payable	-	-	-	-	6,838
Change in net pension liability	1,033,487	850,937	1,073,255	2,957,679	555,816
Change in net OPEB liability	31,777	25,725	32,238	89,740	16,094
Change in deferred inflows - pension	(574,561)	(468,471)	(563,176)	(1,606,208)	(271,898)
Change in deferred inflows - OPEB	(183,449)	(144,220)	(164,245)	(491,914)	(79,129)
Net cash provided by operating activities	$ 815,534	$ 253,666	$ 3,548,722	$ 4,617,922	$ 358,685

Non-cash transactions:
At December 31, 2023, the water fund purchased $9,655 in capital assets on account.
At December 31, 2023, the electric fund purchased $24,200 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023

	Private-Purpose Trust
Assets:	
Equity in pooled cash and cash equivalents	$ 6,999
Total assets	6,999
Net position:	
Held in trust for private cemetery care.	6,999
Total net position	$ 6,999

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLYDE
SANDUSKY COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Private-Purpose Trust
Additions:	
Interest.	$ 247
Deductions:	
Cemetery care	107
Change in net position	140
Net position at beginning of year.	6,859
Net position at end of year	$ 6,999

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CITY

The City of Clyde (the "City") is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a council-manager government. The City provides police protection within its boundaries and fire protection to its citizens and adjacent townships. The City provides basic utilities in the form of water, wastewater treatment and electric distribution. The City constructs and maintains streets and sidewalks within the City. The City also operates and maintains parks.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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 principles. The most significant of the City's accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the City's financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

The primary government consists of all funds and departments which provide various services including police protection, street maintenance and repair, parks, recreation, water, sewer and electric services. Council and the City Manager are directly responsible for these activities. The accompanying financial statements present the City, which has no component units. The following organization is described due to its relationship with the City.

JOINTLY GOVERNED ORGANIZATION

Municipal Energy Services Agency (MESA) - MESA is an intergovernmental venture with other Ohio Municipalities to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to consumers. The City will incur no financial obligation to MESA or the other participants unless and until it avails itself of the services of MESA.

PUBLIC ENTITY RISK POOLS

Public Entities Pool of Ohio (PEP) - The City participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. Note 12 to the financial statements provides additional information for this entity.

Jefferson Health Plan (JHP) Health Benefits Program - The JHP is a council of governments of school districts and other political subdivisions organized and existing as a joint self-insurance program pursuant to Section 9.833 of the Ohio Revised Code providing health care and related insurance benefits to over one hundred member organizations and composed of one representative from each county served and a career center representative. Each member organization pays a monthly premium based on its claims history and a monthly administration fee. Note 12 to the financial statements provides additional information for this entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

North Central Ohio Municipal Finance Officers Association Workers' Compensation Group Rating Plan - The City participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The North Central Ohio Municipal Finance Officers' Association Workers' Compensation Group Rating Plan was established through the North Central Ohio Municipal Finance Officers' Association (NCOMFOA) as an insurance purchasing pool. Larry Rush serves as coordinator of the NCOMFOA. Each year, the participating members pay an enrollment fee to the NCOMFOA to cover the costs of administering the program.

B. Basis of Presentation - Fund Accounting

The City's 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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support 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 functions are self-financing or draw 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 funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

C. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent improvement fund - The permanent improvement fund accounts for financial resources used for the construction, improvement and acquisition of capital assets.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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

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

Electric fund - The electric fund accounts for the operations providing electric services to the residents and commercial users located within the City.

Internal service funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of the service center, health benefits and a self-insurance program for medical benefits.

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's fiduciary fund is a private-purpose trust fund.

D. Measurement Focus and Basis of Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, and current liabilities and 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 financial statements for governmental funds.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. The principal operating revenues of the City’s proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include personnel costs, claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds 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 and outflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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 income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees, grants, interest and special assessments.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - 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.

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than custodial funds are required to be budgeted and appropriated. The legal level of budgetary control is at the fund, department, (e.g. police), and object (e.g. materials and supplies) level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of budgetary control.

Tax Budget - During the first Council meeting in July, the Mayor presents the following fiscal year's annual operating budget to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or before December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines and the Budget Commission agrees that estimates need to be either increased or decreased. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the City Council.

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the City Council during the year.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Cash Equivalents

Cash balances of the City's funds are pooled. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the financial statements as "equity in pooled cash and cash equivalents".

During 2023, investments were limited to federal agency securities, U.S. Treasury bills and notes, negotiable certificates of deposit, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned and credited to the general fund during 2023 amounted to $916,197, which included $777,421 assigned from other funds of the City.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the City's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

On government-wide financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of governmental and proprietary funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. Inventories of the proprietary funds are expensed when used.

I. Restricted Assets

Assets are reported restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Certain resources set aside for the repayment of certain debt issues are classified as restricted assets on the financial statements because their use is limited by applicable bond covenants.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of $5,000. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems, traffic signals, water and sewer lines, electric transmission, overhead and underground lines, electric transformers, substations and street lights. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land improvements	5 - 20 years	5 - 20 years
Buildings and improvements	20 - 40 years	20 - 40 years
Equipment	5 - 15 years	5 - 15 years
Vehicles	8 years	8 years
Infrastructure	25 - 50 years	50 - 80 years

K. Compensated Absences

Compensated absences of the City consist of vacation leave and sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and is not contingent on a specific event that is outside the control of the City and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service or any employee with at least 20 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. Sick leave benefits were accrued using the "vesting" method.

The total liability for vacation, compensatory time and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability. There were no compensated absences liabilities in governmental funds at December 31, 2023.

L. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. 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 and compensated absences 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Bond Premium and Discount/Accounting Gain or Loss

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow.

On the governmental fund financial statements, issuance costs, bond premiums, and deferred charges from refunding are recognized in the current period.

O. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

R. Estimates

The preparation of the financial statements in conformity with GAAP 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.

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Net Position

Net position represents the difference between assets plus deferred outflows less liabilities plus deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. 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.

U. 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 Council and that are either unusual in nature or infrequent in occurrence. The City had neither type of transaction during 2023.

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

X. Unearned Revenues

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied. At December 31, 2023 this includes grant revenue received before all eligibility requirements have been met.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

B. Deficit Fund Balance

Fund balances at December 31, 2023 included the following individual fund deficit:

	Deficit
Nonmajor governmental fund	
Recreation	$ 4,045

The general fund is liable for a deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Restatement of Net Position

The City had a reappraisal of capital assets during 2023. As a result, the net position at January 1, 2023 was restated as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported	$ 23,582,339	$ 34,672,489
Adjustment for capital asset reappraisal	14,986	(549,143)
Restated net position at January 1, 2023	$ 23,597,325	$ 34,123,346

		Enterprise Funds		
	Internal Service Funds	Water Fund	Sewer Fund	Electric Fund
Net position as previously reported	$ 2,524,556	$ 7,824,483	$ 7,402,314	$ 18,781,630
Adjustment of capital asset reappraisal	409,673	(46,034)	160,517	(663,626)
Restated net position at January 1, 2023	$ 2,934,229	$ 7,778,449	$ 7,562,831	$ 18,118,004

Additional detail on the restatement of capital assets is presented in Note 9.

D. Compliance

In noncompliance with Ohio Administrative Code 117-2-02(C)(1), the City's County approved estimated resources and Council approved appropriations did not agree to the system budgetary amounts. In noncompliance with Ohio Revised Code Section 5705.39, 5705.36, and 5705.36(A)(4) the City did not request timely amended certificates throughout the year or at year end upon notice of increased or decreased resources, and therefore had total appropriations exceeding total estimated and actual resources in certain funds. Additionally, the City did not properly certify its beginning unencumbered fund balance at January 1, 2023 for certain funds. In noncompliance with Ohio Revised Code Section 5705.40 and 5705.41(B) the City did not properly modify its appropriations throughout the year and at year end causing expenditures to exceed appropriations in certain funds.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the City 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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, the 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. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;

4. 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;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

8. 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.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal interest, or coupons; and,

3. Obligations of the City.

Protection of the 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year end, the City had $360 in undeposited cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and cash equivalents".

B. Cash with Fiscal Agent

The City utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "cash with fiscal agent." The amount held by the fiscal agent at December 31, 2023, was $1,054,580.

C. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was $11,101,445. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, $10,941,215 of the City's bank balance of $11,191,215 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's 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 (2) participation in the 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. For 2023, certain City financial institutions did not participate in OPCS while certain other financial institutions did participate in OPCS. Those financial institutions that did participate were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2023, the City had the following investments and maturities:

		Investment Maturities			
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Amortized cost:					
STAR Ohio	$ 8,083,646	$ 8,083,646	$ -	$ -	$ -
Fair value:					
Negotiable CDs	1,959,162	244,961	-	978,525	735,676
U.S. Treasury bills	1,230,497	499,345	731,152	-	-
U.S. Treasury notes	1,288,941	495,430	497,870	-	295,641
FHLMC	247,425	-	-	-	247,425
FFCB	320,950	-	-	-	320,950
U.S. government money market mutual funds	694,699	694,699	-	-	-
Total	$ 13,825,320	$ 10,018,081	$ 1,229,022	$ 978,525	$ 1,599,692

The weighted average maturity of investments is 0.36 years.

The City's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in negotiable CDs, federal agency securities (FHLMC and FFCB) and U.S. Treasury bills and notes are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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: Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investments in U.S. Treasury bills and notes and federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable CDs and the U.S. government money markets were not rated. The negotiable CDs are covered by FDIC. The City has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2023:

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Measurement\ Investment type	Measurement Value	% of Total
Amortized cost:		
STAR Ohio	$ 8,083,646	58.47%
Fair value:		
Negotiable CDs	1,959,162	14.17%
U.S. Treasury bills	1,230,497	8.90%
U.S. Treasury notes	1,288,941	9.32%
FHLMC	247,425	1.79%
FFCB	320,950	2.32%
U.S. Government money market mutual funds	694,699	5.03%
	$ 13,825,320	100.00%

E. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of December 31, 2023:

Cash and investments per note	
Carrying amount of deposits	$ 11,101,445
Investments	13,825,320
Cash with fiscal agent	1,054,580
Cash on hand	360
Total	$ 25,981,705

Cash and cash equivalents per statement of net position	
Governmental activities	$ 8,002,212
Business-type activities	17,972,494
Private-purpose trust fund	6,999
Total	$ 25,981,705

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	
General fund	$ 341,739
Transfers to general services internal service fund from:	
Nonmajor governmental funds	72,575
Total	$ 414,314

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget required 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, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) transfer assets purchased by governmental funds to enterprise funds.

All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Due from/to other funds consisted of the following at December 31, 2023, as reported on the fund financial statements:

Receivable fund	Payable fund	Amount
General fund	Electric fund	$ 70,788
General fund	Recreation fund	1,594
Total due to/from other funds		$ 72,382

The balance payable from the recreation fund (a nonmajor governmental fund) to the general fund is to cover a negative cash balance. Interfund balances between governmental funds are eliminated on the statement of net position.

The balance payable from the electric fund resulted from the kilowatt hour tax receivable recorded in the electric fund which is due to the general fund. This is included in the internal balance amount on the statement of net position.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Clyde. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2023 was $3.20 per $1,000 of assessed value.

The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 86,443,890
Commercial/industrial/mineral	41,983,310
Public utility	
Real	9,840
Personal	4,709,750
Total assessed value	$ 133,146,790

NOTE 7 - LOCAL INCOME TAX

The City locally levied tax of 1.5% applied to gross salaries, wages and other personal service compensation earned by residents both in and out of the City and to earnings of non residents (except certain transients) earned in the government. It also applies to net income of business organizations conducted within the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax. The first one percent of the income tax revenue is allocated 55% to the general fund and 45% to the permanent improvement fund. The additional one-half percent tax is placed in the general fund for municipal operations. Income tax revenue for 2023 was $5,065,405 as reported in the fund financial statements.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services), accrued interest, leases and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2023.

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NOTE 8 - RECEIVABLES - (Continued)

A summary of the items of receivables reported on the statement of net position follows:

Governmental activities:	
Income taxes	$ 705,886
Real and other taxes	405,276
Accounts	52,815
Due from other governments	305,945
Accrued interest	40,954
Leases	447,043
Business-type activities:	
Real and other taxes	71,144
Accounts	2,371,741

Receivables have been disaggregated on the face of the basic financial statements. All receivables except leases are expected to be collected within the subsequent year.

The City is reporting leases receivable of $447,043 in the general fund. For 2023, the City recognized lease revenue of $26,496, which is reported in rental income, and interest revenue of $14,212.

The City has entered into the following lease agreements as the lessor at varying years and terms as follows:

Lease Type	Lease Commencement Date	Lease End Date	Payment Method
Sandusky County EMS Building Space	2008	2028	Monthly
Cell Tower	2013	2083	Monthly
Watson Farm Land	2023	2025	Annual

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NOTE 8 - RECEIVABLES - (Continued)

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 19,626	$ 11,312	$ 30,938
2025	20,371	10,567	30,938
2026	5,644	9,794	15,438
2027	5,816	9,622	15,438
2028	2,974	10,251	13,225
2029 - 2033	-	52,774	52,774
2034 - 2038	-	58,052	58,052
2039 - 2043	-	63,856	63,856
2044 - 2048	-	70,242	70,242
2049 - 2053	-	77,267	77,267
2054 - 2058	14,839	70,154	84,993
2059 - 2063	39,578	53,915	93,493
2064 - 2068	56,037	46,805	102,842
2069 - 2073	76,163	36,963	113,126
2074 - 2078	100,649	23,790	124,439
2079 - 2083	105,346	6,853	112,199
Total	$ 447,043	$ 612,217	$ 1,059,260

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NOTE 9 - CAPITAL ASSETS

During 2023, the City had a reappraisal of capital assets. This reappraisal requires that the capital asset and accumulated depreciation balances at January 1, 2023 be restated. Capital asset activity for the year ended December 31, 2023 was as follows:

Governmental activities:	Balance 12/31/2022	Adjustments	Restated Balance 1/1/2023
Capital assets, not being depreciated:			
Land	$ 1,431,673	$ -	$ 1,431,673
Total capital assets, not being depreciated	1,431,673	-	1,431,673
Capital assets, being depreciated:			
Land improvements	2,789,770	(674,856)	2,114,914
Buildings and improvements	5,040,039	1,383,998	6,424,037
Equipment	2,014,191	927,028	2,941,219
Vehicles	4,485,853	(1,702,539)	2,783,314
Infrastructure	27,714,723	-	27,714,723
Total capital assets, being depreciated	42,044,576	(66,369)	41,978,207
Less: accumulated depreciation:			
Land improvements	(1,924,361)	225,464	(1,698,897)
Buildings and improvements	(2,785,447)	(258,400)	(3,043,847)
Equipment	(1,191,255)	(647,593)	(1,838,848)
Vehicles	(3,218,754)	761,884	(2,456,870)
Infrastructure	(13,553,655)	-	(13,553,655)
Total accumulated depreciation	(22,673,472)	81,355	(22,592,117)
Total capital assets, being depreciated, net	19,371,104	14,986	19,386,090
Governmental activities capital assets, net	$ 20,802,777	$ 14,986	$ 20,817,763

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NOTE 9 - CAPITAL ASSETS - (Continued)

Governmental activities:	Restated Balance 1/1/2023	Additions	Disposals	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	$ 1,431,673	$ -	$ -	$ 1,431,673
Construction in progress	-	813,180	-	813,180
Total capital assets, not being depreciated	1,431,673	813,180	-	2,244,853
Capital assets, being depreciated:				
Land improvements	2,114,914	19,000	-	2,133,914
Buildings and improvements	6,424,037	25,000	-	6,449,037
Equipment	2,941,219	413,885	-	3,355,104
Vehicles	2,783,314	175,134	-	2,958,448
Infrastructure	27,714,723	-	-	27,714,723
Total capital assets, being depreciated	41,978,207	633,019	-	42,611,226
Less: accumulated depreciation:				
Land improvements	(1,698,897)	(46,320)	-	(1,745,217)
Buildings and improvements	(3,043,847)	(151,038)	-	(3,194,885)
Equipment	(1,838,848)	(236,035)	-	(2,074,883)
Vehicles	(2,456,870)	(91,054)	-	(2,547,924)
Infrastructure	(13,553,655)	(631,966)	-	(14,185,621)
Total accumulated depreciation	(22,592,117)	(1,156,413)	-	(23,748,530)
Total capital assets, being depreciated, net	19,386,090	(523,394)	-	18,862,696
Governmental activities capital assets, net	$ 20,817,763	$ 289,786	$ -	$ 21,107,549

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NOTE 9 - CAPITAL ASSETS - (Continued)

Business-type activities:	Balance 12/31/2022	Adjustments	Restated Balance 1/1/2023
Capital assets, not being depreciated:			
Land	$ 795,093	$ -	$ 795,093
Total capital assets, not being depreciated	795,093	-	795,093
Capital assets, being depreciated:			
Land improvements	880,334	(53,544)	826,790
Buildings and improvements	14,642,900	(608,524)	14,034,376
Equipment	9,682,124	(832,809)	8,849,315
Vehicles	1,748,801	(866,485)	882,316
Infrastructure	29,127,018	-	29,127,018
Total capital assets, being depreciated	56,081,177	(2,361,362)	53,719,815
Less: accumulated depreciation:			
Land improvements	(728,244)	49,981	(678,263)
Buildings and improvements	(10,625,241)	591,395	(10,033,846)
Equipment	(8,821,192)	1,068,712	(7,752,480)
Vehicles	(729,272)	102,131	(627,141)
Infrastructure	(11,928,435)	-	(11,928,435)
Total accumulated depreciation	(32,832,384)	1,812,219	(31,020,165)
Total capital assets, being depreciated, net	23,248,793	(549,143)	22,699,650
Business-type activities capital assets, net	$ 24,043,886	$ (549,143)	$ 23,494,743

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NOTE 9 - CAPITAL ASSETS - (Continued)

Business-type activities:	Restated Balance 1/1/2023	Additions	Disposals	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	$ 795,093	$ -	$ -	$ 795,093
Construction in progress	-	301,891	-	301,891
Total capital assets, not being depreciated	795,093	301,891	-	1,096,984
Capital assets, being depreciated:				
Land improvements	826,790	-	-	826,790
Buildings and improvements	14,034,376	469,110	-	14,503,486
Equipment	8,849,315	389,460	-	9,238,775
Vehicles	882,316	56,780	-	939,096
Infrastructure	29,127,018	24,200	-	29,151,218
Total capital assets, being depreciated	53,719,815	939,550	-	54,659,365
Less: accumulated depreciation:				
Land improvements	(678,263)	(15,805)	-	(694,068)
Buildings and improvements	(10,033,846)	(317,457)	-	(10,351,303)
Equipment	(7,752,480)	(184,390)	-	(7,936,870)
Vehicles	(627,141)	(100,010)	-	(727,151)
Infrastructure	(11,928,435)	(510,973)	-	(12,439,408)
Total accumulated depreciation	(31,020,165)	(1,128,635)	-	(32,148,800)
Total capital assets, being depreciated, net	22,699,650	(189,085)	-	22,510,565
Business-type activities capital assets, net	$ 23,494,743	$ 112,806	$ -	$ 23,607,549

Depreciation expense was charged to functions/programs of the governmental activities and the funds of the business-type activities, of the City as follows:

Governmental activities:	
General government	$ 70,210
Security of persons and property	122,513
Public health and welfare	156,269
Transportation	631,966
Community environment	11,747
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	163,708
Total depreciation expense - governmental activities	$ 1,156,413

Business-type activities:	
Water	$ 425,109
Sewer	350,963
Electric	352,563
Total depreciation expense - business-type activities	$ 1,128,635

NOTE 10 - LONG-TERM OBLIGATIONS

A. During 2023, the following changes occurred in governmental activities long-term obligations.

Governmental activities:	Interest Rate	Balance 12/31/22	Additions	Retirements	Balance 12/31/23	Amount Due in One Year
Income tax bonds - direct borrowing:						
Swimming pool bonds	3.125%	$ 657,373	$ -	$ (123,510)	$ 533,863	$ 127,370
Loans - direct borrowing:						
Fire pumper loan	2.87%	69,472	-	(69,472)	-	-
Promissory notes - direct borrowing:						
Street sweeper note	3.76%	73,518	-	(36,066)	37,452	37,452
Dump truck note	2.79%	96,611	-	(31,311)	65,300	32,192
Total promissory notes		170,129	-	(67,377)	102,752	69,644
Other long-term obligations:						
Police pension liability	N/A	44,579	-	(2,781)	41,798	2,901
Net pension liability		3,511,784	3,324,759	-	6,836,543	-
Net OPEB liability		463,812	62,064	(173,873)	352,003	-
Compensated absences		237,805	227,079	(176,821)	288,063	51,610
Total other obligations		4,257,980	3,613,902	(353,475)	7,518,407	54,511
Total governmental activities long-term obligations		$ 5,154,954	$ 3,613,902	$ (613,834)	$ 8,155,022	$ 251,525

Income tax bonds: On November 1, 2012, the City issued income tax bonds in the amount of $1,704,250. The proceeds of these bonds were receipted in the permanent improvement fund. The bonds bear an interest rate of 3.125% and mature on November 1, 2027. The principal and interest payments are made from income tax revenue in the permanent improvement fund.

The income tax bond issue is a direct borrowing that has terms negotiated directly between the City and the lender and was not offered for public sale.

Police pension liability: An accrual has been set up for a legal liability for past service cost for the police disability and pension fund which arose when the fund was established in 1968. The remaining unfunded pension liability is to be amortized in semi-annual installments through 2035. Principal and interest payments are made from the police pension fund, a nonmajor governmental fund.

Fire pumper loan: During 2015, the City issued a loan for the purchase of a fire pumper in the amount of $503,373 which matured on September 17, 2023. The loan bore an interest rate of 2.87%. The principal and interest payments were made from the general fund.

The fire pumper loan was a direct borrowing that had terms negotiated directly between the City and the lender and was not offered for public sale.

Street sweeper note: During 2017, the City entered into a promissory note for the purchase of a street sweeper in the amount of $234,750 with a scheduled maturity date of July 26, 2024. The note bears an interest rate of 3.76%. The semi-annual principal and interest payments are made from the general services internal service fund.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The street sweeper note is a direct borrowing that has terms negotiated directly between the City and the lender and was not offered for public sale.

Dump truck note: During 2021, the City entered into a promissory note for the purchase of a dump truck in the amount of $127,061 with a scheduled maturity date of October 22, 2025. The note bears an interest rate of 2.79%. The annual principal and interest payment is made from the general services internal service fund.

The dump truck note is a direct borrowing that has terms negotiated directly between the City and the lender and was not offered for public sale.

Compensated absences: Compensated absences reported in the statement of net position will be paid from the fund from which the employee's salaries are paid, which is primarily the general fund.

Net pension liability and net OPEB liability: See Notes 13 and 14 for a discussion of the City's net pension liability and net OPEB liability.

B. The annual requirements amortize governmental activities long-term obligations outstanding as of December 31, 2023, are as follows:

Year Ending	Direct Borrowing Swimming Pool Income Tax Bonds		
December 31,	Principal	Interest	Total
2024	$ 127,370	$ 16,683	$ 144,053
2025	131,350	12,703	144,053
2026	135,455	8,598	144,053
2027	139,688	4,365	144,053
Total	$ 533,863	$ 42,349	$ 576,212

Year Ending	Police Pension			Direct Borrowing Promissory Notes		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2024	$ 2,901	$ 1,746	$ 4,647	$ 69,644	$ 2,931	$ 72,575
2025	3,026	1,620	4,646	33,108	937	34,045
2026	3,155	1,491	4,646	-	-	-
2027	3,291	1,355	4,646	-	-	-
2028	3,432	1,215	4,647	-	-	-
2029 - 2033	19,504	3,730	23,234	-	-	-
2034 - 2035	6,489	273	6,762	-	-	-
Total	$ 41,798	$ 11,430	$ 53,228	$ 102,752	$ 3,868	$ 106,620

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. During 2023, the following changes occurred in business-type activities long-term obligations.

Business-type activities:	Interest Rate	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023	Amount Due in One Year
OWDA loans - direct borrowing:						
Sewer sludge dewatering improvements	3.25%	$ 120,874	$ -	$ (33,155)	$ 87,719	$ 34,242
WWTP equalization basin	1.00%	1,473,305	-	(57,644)	1,415,661	97,552
Total OWDA loans		1,594,179	-	(90,799)	1,503,380	131,794
General obligation bonds:						
Water system general obligation bonds series 1997	3.00%-6.30%	3,365,000	-	(165,000)	3,200,000	170,000
Total general obligation bonds		3,365,000	-	(165,000)	3,200,000	170,000
Other obligations:						
Net pension liability		1,334,164	2,957,679	-	4,291,843	-
Net OPEB liability		-	89,740	-	89,740	-
Compensated absences		303,095	244,114	(185,039)	362,170	64,324
Total other obligations		1,637,259	3,291,533	(185,039)	4,743,753	64,324
Total business-type activities long-term obligations		$ 6,596,438	$ 3,291,533	$ (440,838)	$ 9,447,133	$ 366,118

Compensated absences: Compensated absences are reported in the statement of net position and will be paid from the fund from which the employee's salaries are paid, which are the water, sewer and electric funds.

General obligation bonds: During 1997, the City issued general obligation bonds for improvements to the City's water system. These bonds are backed by the full faith and credit of the City. These bonds will be repaid with user charges collected in the water fund and are payable through 2037.

OWDA loans: The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable from sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2023, the City has outstanding borrowings of $1,503,380.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest or late charges associated with the default.

The City has pledged future sewer revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2036. Annual principal and interest payments on the loans are expected to require 34.85 percent of net revenues and 4.35 percent of total revenues. The total principal and interest remaining to be paid on the loans is $1,605,278. Principal and interest paid for the current year was $99,859, total net revenues were $286,526 and total revenues were $2,294,668.

Net pension liability and net OPEB liability: See Notes 13 and 14 for a discussion of the City's net pension liability and net OPEB liability.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. The annual requirements amortize business-type activities long-term obligations outstanding as of December 31, 2023, are as follows:

Year Ending	Direct Borrowing OWDA Loans			Water Improvement General Obligation Bonds		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2024	$ 131,794	$ 16,330	$ 148,124	$ 170,000	$ 157,875	$ 327,875
2025	139,280	14,263	153,543	180,000	149,250	329,250
2026	123,072	12,151	135,223	190,000	140,125	330,125
2027	106,011	10,828	116,839	200,000	130,500	330,500
2028	107,074	9,765	116,839	210,000	120,375	330,375
2029-2033	551,685	32,508	584,193	1,210,000	432,250	1,642,250
2034-2037	344,464	6,053	350,517	1,040,000	106,125	1,146,125
Total	$ 1,503,380	$ 101,898	$ 1,605,278	$ 3,200,000	$ 1,236,500	$ 4,436,500

E. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was $13,446,550 and the unvoted debt margin was $7,323,073.

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

City employees earn vacation leave at varying rates based upon length of service. In the case of death or retirement, an employee (or his estate) is paid for unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to $56,405 at December 31, 2023. Amounts are recorded as a fund liability and/or on the government-wide financial statements as applicable.

City employees may accumulate up to 120 hours of compensatory time at time and a-half in lieu of direct pay of overtime hours worked. The total obligation for compensatory time accrual for the City as a whole amounted to $59,529 at December 31, 2023. Amounts are recorded as a fund liability and/or on the government-wide financial statements as applicable.

City employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement an employee is paid for forty percent of accumulated sick leave within various limits, except the fire department employees, who are part-time and do not accumulate sick leave. The total obligation for sick leave accrual for the City as a whole amounted to $534,299 at December 31, 2023. Amounts are recorded as a fund liability and/or on the government-wide financial statements as applicable.

NOTE 12 - RISK MANAGEMENT

A. Property and Casualty Insurance

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

The City insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The City is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

-General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2023:

	2023
Cash and investments	$ 43,996,442
Actuarial liabilities	$ 19,743,401

Property and casualty settlements did not exceed insurance coverage for the past three years. There have been no significant reductions in coverage from the prior year.

B. Employee Health Insurance

The City has elected to provide employees with medical, prescription, dental and vision 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, dental, vision, 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 of Clyde is responsible for the first $50,000 in claims, the Jefferson Health Plan is responsible for claims from $50,000 to $500,000 and claims over $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.

The claims liability of $133,528 reported in the internal service funds at December 31, 2023 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.

NOTE 12 - RISK MANAGEMENT - (Continued)

Changes in claims activity for the fiscal year is as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2023	$ 126,690	$ 1,237,916	$ (1,231,078)	$ 133,528
2022	166,990	1,005,663	(1,045,963)	126,690

The City continues to carry commercial insurance for all other risks of loss, including workers' compensation.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 liability/asset and the net OPEB liability represent 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.

The 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/asset 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. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police, 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. 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
Traditional Plan 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	**Traditional Plan 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	**Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. 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 3.00%.

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 20.00% 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.

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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $574,580 for 2023. Of this amount, $53,696 is reported as pension obligation payable.

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

Plan Description - City full-time police 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. 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.

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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% 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, statutory survivors and annuity beneficiaries. 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 3.00% 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 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police
2023 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2023 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Since the City does not employ any full-time firefighters, the City does not make firefighter pension contributions to OP&F. Any pension contributions related to part-time firefighter wages are made to OPERS.

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $242,765 for 2023. Of this amount, $27,595 is reported as pension obligation payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2023, the specific liability of the City was $41,798 payable in semi-annual payments through the year 2035.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability or asset 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 - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.02531300%	0.01237500%	0.01328700%	0.04231530%	
Proportion of the net pension liability/asset current measurement date	0.02457700%	0.01330700%	0.01996100%	0.04072340%	
Change in proportionate share	-0.00073600%	0.00093200%	0.00667400%	-0.00159190%	
Proportionate share of the net pension liability	$ 7,260,058	$ -	$ -	$ 3,868,328	$ 11,128,386
Proportionate share of the net pension asset	-	31,362	1,561	-	32,923
Pension expense	1,030,658	4,021	(151)	483,761	1,518,289

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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	$ 241,150	$ 1,928	$ 4,480	$ 58,021	$ 305,579
Net difference between projected and actual earnings on pension plan investments	2,069,342	11,429	734	563,180	2,644,685
Changes of assumptions	76,697	2,078	96	348,908	427,779
Changes in employer's proportionate percentage/ difference between employer contributions	55,028	-	-	12,932	67,960
Contributions subsequent to the measurement date	557,285	6,236	11,059	242,765	817,345
Total deferred outflows of resources	$ 2,999,502	$ 21,671	$ 16,369	$ 1,225,806	$ 4,263,348
Deferred inflows of resources					
Differences between expected and actual experience	$ -	$ 4,478	$ -	$ 88,134	$ 92,612
Changes of assumptions	-	-	-	75,431	75,431
Changes in employer's proportionate percentage/ difference between employer contributions	97,320	-	-	109,867	207,187
Total deferred inflows of resources	$ 97,320	$ 4,478	$ -	$ 273,432	$ 375,230

$817,345 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Year Ending December 31:					
2024	$ 264,755	$ 466	$ 743	$ 68,484	$ 334,448
2025	457,327	2,107	797	174,589	634,820
2026	609,107	2,913	810	191,830	804,660
2027	1,013,708	4,918	921	298,112	1,317,659
2028	-	(3)	529	(23,406)	(22,880)
Thereafter	-	556	1,510	-	2,066
Total	$ 2,344,897	$ 10,957	$ 5,310	$ 709,609	$ 3,070,773

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of 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 a loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. 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 benefit 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/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 10,875,323	$ 7,260,058	$ 4,252,804
Combined Plan	(16,368)	(31,362)	(43,248)
Member-Directed Plan	(998)	(1,561)	(1,996)

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing 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. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. 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 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

Health Mortality

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. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

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. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

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. All rates are projected using the MP-2021 Improvement Scale.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-Retirement Mortality

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 geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x
** Numbers are net of expected inflation.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 7.50% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50%. 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%, 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%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	$ 5,103,071	$ 3,868,328	$ 2,841,886

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 13 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $5,462 for 2023. Of this amount, $510 is reported as pension obligation payable.

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

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment 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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

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.

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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was $6,389 for 2023. Of this amount, $726 is reported as pension obligation payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.02445500%	0.04231530%	
Proportion of the net OPEB liability current measurement date	0.02407600%	0.04072340%	
Change in proportionate share	-0.00037900%	-0.00159190%	
Proportionate share of the net OPEB liability	$ 151,804	$ 289,939	$ 441,743
OPEB expense	(307,507)	28,483	(279,024)

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

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ -	$ 17,301	$ 17,301
Net difference between projected and actual earnings on OPEB plan investments	301,487	24,870	326,357
Changes of assumptions	148,271	144,492	292,763
Changes in employer's proportionate percentage/ difference between employer contributions	5,355	60,769	66,124
Contributions subsequent to the measurement date	5,462	6,389	11,851
Total deferred outflows of resources	$ 460,575	$ 253,821	$ 714,396

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 37,865	$ 57,172	$ 95,037
Changes of assumptions	12,201	237,146	249,347
Changes in employer's proportionate percentage/ difference between employer contributions	1,781	53,892	55,673
Total deferred inflows of resources	$ 51,847	$ 348,210	$ 400,057

$11,851 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2024	$ 53,853	$ 466	$ 54,319
2025	109,755	6,258	116,013
2026	94,013	(11,799)	82,214
2027	145,645	(8,056)	137,589
2028	-	(25,890)	(25,890)
Thereafter	-	(61,757)	(61,757)
Total	$ 403,266	$ (100,778)	$ 302,488

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	2.75 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 loss of 15.6% for 2022.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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. The System's 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's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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% and a municipal bond rate of 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	$ 516,671	$ 151,804	$ (149,271)

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. 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 the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	$ 142,289	$ 151,804	$ 162,513

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

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. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

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. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

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. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x
** Numbers are net of expected inflation.

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

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. 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 of 7.50%. 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 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 357,032	$ 289,939	$ 233,295

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	General fund
Budget basis	$ (1,623,255)
Net adjustment for revenue accruals	48,813
Net adjustment for expenditure accruals	(181,169)
Funds budgeted elsewhere	295,997
Adjustment for encumbrances	850,558
GAAP basis	$ (609,056)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the income tax fund, the veteran's widow trust fund, the guarantee deposit trust fund, the memorial tree fund, the fair board fund and the underground storage tank fund.

NOTE 16 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

B. Litigation

The City is currently not involved in pending litigation at year end.

NOTE 17 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

NOTE 18 - FUND BALANCE

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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	$ 13,144	$ -	$ -	$ 13,144
Prepaids	15,478	-	-	15,478
Total nonspendable	28,622	-	-	28,622
Restricted:				
Public health programs	-	-	222,732	222,732
Transportation programs	-	-	702,481	702,481
Police and fire purposes	-	-	305,108	305,108
Total restricted	-	-	1,230,321	1,230,321
Committed:				
Capital improvements	-	1,827,266	-	1,827,266
Underground storage tank	11,000	-	-	11,000
Total committed	11,000	1,827,266	-	1,838,266
Assigned:				
Debt service	-	-	5,424	5,424
Subsequent year appropriations	970,875	-	-	970,875
General government	170,119	-	-	170,119
Security of persons and property	343,906	-	-	343,906
Public health	120,951	-	-	120,951
Community environment	15,217	-	-	15,217
Other purposes	33,685	-	-	33,685
Total assigned	1,654,753	-	5,424	1,660,177
Unassigned (deficit)	2,150,584	-	(4,045)	2,146,539
Total fund balances	$ 3,844,959	$ 1,827,266	$ 1,231,700	$ 6,903,925

NOTE 19 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 671,997
Permanent improvement	687,880
Other governmental	265,637
Total	$ 1,625,514

NOTE 20 - LONG TERM PURCHASE COMMITMENTS

A. American Municipal Power Generating Station Project

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 3,000 kilowatts of a total 771,281 kilowatts, giving the City a 0.39 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs was $516,976. The City received a credit of $283,700 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of $135,675 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving a net impaired cost estimate of $97,601. Because payment is now probable and reasonably estimatable, the City reported a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimatable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the City has made payments of $97,601 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the City's allocation of additional costs incurred by the project is $6,503 and interest expense incurred on AMP's line-of-credit of $1,534, resulting in a net impaired cost estimate at December 31, 2023 of $8,037. The City does have a potential PHFU Liability of $166,430 resulting in a net total potential liability of $174,467, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

NOTE 20 - LONG TERM PURCHASE COMMITMENTS - (Continued)

B. Prairie State Energy Campus

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the "PSEC Ownership Interest") in the Prairie State Energy Campus ("PSEC"), a two-unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("AMP 368 LLC"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "Initial Prairie State Bonds") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of $1,696,800,000. In 2015, 2017, 2019 and 2021, AMP issued bonds (the "*Prairie State Refunding Bonds*" and, together with the Initial Prairie State Bonds, the "*Prairie State Bonds*") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2023, AMP had $1,315,450,000 aggregate principal amount of Prairie State Bonds.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

The City of Clyde has executed a take-or-pay power sales contract with AMP for a Project Share of 2,986 kW or 0.81 kW of capacity and associated energy from the Prairie State facility.

C. Combined Hydroelectric Projects

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "Combined Hydroelectric Projects"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), in an original aggregate principal amount of $2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2023, $2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds was outstanding.

The City of Clyde has executed a take-or-pay power sales contract with AMP for 4,197 kW or 2.02% of capacity and associated energy from the Combined hydro facilities.

NOTE 20 - LONG TERM PURCHASE COMMITMENTS - (Continued)

D. AMP Fremont Energy Center (AFEC)

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “90.69% Interest”) is sold to AMP.

Members pursuant to a take-or-pay power sales contract with 87 of its members (the “AFEC Power Sales Contract”).

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, $546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the "2012 AFEC Bonds"), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017 and 2021, AMP issued bonds (the "AFEC Refunding Bonds" and, together with the 2012 AFEC Bonds, the "AFEC Bonds") to refund a portion of the 2012 AFEC Bonds. As of December 31, 2023, $378,790,000 aggregate principal amount of AFEC Bonds was outstanding.

The City of Clyde has executed a take-or-pay power sales contract with AMP for 2,640 kW or 0.57% of capacity and associated energy from the AFEC facility.

NOTE 21 - TAX ABATEMENTS

As of December 31, 2023, the City provides tax abatements through an Enterprise Zone (Ezone) program. This program relates to the abatement of property taxes.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the “Agreement”) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business’s property tax bill.

Sandusky County has several Ezone agreements in effect at December 31, 2023 that reduce the City’s property tax revenue. The total value of the City’s share of taxes abated for 2023 was $18,415.

NOTE 22 - LAND HELD FOR RESALE

Land held for resale represents parcels donated to, or purchased by, the City through 2020. These parcels were acquired for the purpose of future economic development within the City and are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of structures on the parcels. The City holds the parcels until they are either sold or transferred to a private purchaser, non-profit, or public end-user. As of December 31, 2023, the City has 8 parcels of land with a total value of $1,004,601 which are being held for resale.

NOTE 23 - ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio Environmental Protection Agency (Ohio EPA) for approval. Through this permitting process, the City would be responsible for addressing 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. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the City has determined that the asset retirement obligation cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
City's proportion of the net pension liability	0.024577%	0.025313%	0.024242%	0.025987%
City's proportionate share of the net pension liability	$ 7,260,058	$ 2,202,333	$ 3,589,711	$ 5,136,508
City's covered payroll	$ 3,816,121	$ 3,697,793	$ 3,481,229	$ 3,653,464
City's proportionate share of the net pension liability as a percentage of its covered payroll	190.25%	59.56%	103.12%	140.59%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
Combined Plan:				
City's proportion of the net pension asset	0.013307%	0.012375%	0.012662%	0.012089%
City's proportionate share of the net pension asset	$ 31,362	$ 48,757	$ 36,551	$ 25,208
City's covered payroll	$ 61,650	$ 56,421	$ 55,800	$ 53,814
City's proportionate share of the net pension asset as a percentage of its covered payroll	50.87%	86.42%	65.50%	46.84%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%
Member Directed Plan:				
City's proportion of the net pension asset	0.019961%	0.013287%	0.014005%	0.011762%
City's proportionate share of the net pension asset	$ 1,561	$ 2,412	$ 2,553	$ 445
City's covered payroll	$ 135,760	$ 83,300	$ 84,110	$ 69,910
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.90%	3.04%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.025228%	0.025170%	0.025760%	0.025860%	0.026113%	0.026113%
$ 6,909,437	$ 3,948,685	$ 5,849,658	$ 4,479,278	$ 3,149,521	$ 3,078,384
$ 3,562,479	$ 3,187,123	$ 3,219,733	$ 3,227,933	$ 3,224,925	$ 3,232,100
193.95%	123.89%	181.68%	138.77%	97.66%	95.24%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
0.012591%	0.013426%	0.014363%	0.014750%	0.018014%	0.018014%
$ 14,080	$ 18,277	$ 7,994	$ 7,178	$ 6,937	$ 1,890
$ 53,850	$ 54,985	$ 55,908	$ 63,600	$ 65,850	$ 50,808
26.15%	33.24%	14.30%	11.29%	10.53%	3.72%
126.64%	137.28%	116.55%	116.90%	114.83%	104.56%
0.014481%	0.024226%	0.023592%	0.023029%	n/a	n/a
$ 330	$ 846	$ 98	$ 88	n/a	n/a
$ 82,780	$ 132,780	$ 96,958	$ 128,250	n/a	n/a
0.40%	0.64%	0.10%	0.07%	n/a	n/a
113.42%	124.45%	103.40%	103.91%	n/a	n/a

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	2023	2022	2021	2020
City's proportion of the net pension liability	0.04072340%	0.04231530%	0.04251780%	0.04259010%
City's proportionate share of the net pension liability	$ 3,868,328	$ 2,643,615	$ 2,898,477	$ 2,869,097
City's covered payroll	$ 1,233,847	$ 1,207,000	$ 1,158,105	$ 1,132,437
City's proportionate share of the net pension liability as a percentage of its covered payroll	313.52%	219.02%	250.28%	253.36%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.04229000%	0.03836600%	0.04199600%	0.04405500%	0.03663400%	0.03663400%
$ 3,451,981	$ 2,354,706	$ 2,659,994	$ 2,834,059	$ 1,897,794	$ 1,784,191
$ 1,102,789	$ 908,705	$ 951,021	$ 939,684	$ 874,295	$ 842,424
313.02%	259.13%	279.70%	301.60%	217.07%	211.79%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
Contractually required contribution	$ 557,285	$ 534,257	$ 517,691	$ 487,372
Contributions in relation to the contractually required contribution	(557,285)	(534,257)	(517,691)	(487,372)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 3,980,607	$ 3,816,121	$ 3,697,793	$ 3,481,229
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Combined Plan:				
Contractually required contribution	$ 6,236	$ 8,631	$ 7,899	$ 7,812
Contributions in relation to the contractually required contribution	(6,236)	(8,631)	(7,899)	(7,812)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 51,967	$ 61,650	$ 56,421	$ 55,800
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ 11,059	$ 13,576	$ 8,330	$ 8,411
Contributions in relation to the contractually required contribution	(11,059)	(13,576)	(8,330)	(8,411)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 110,590	$ 135,760	$ 83,300	$ 84,110
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	511,485	$	498,747	$	414,326	$	386,368	$	387,352	$	386,991
	(511,485)		(498,747)		(414,326)		(386,368)		(387,352)		(386,991)
$	-	$	-	$	-	$	-	$	-	$	-
$	3,653,464	$	3,562,479	$	3,187,123	$	3,219,733	$	3,227,933	$	3,224,925
	14.00%		14.00%		13.00%		12.00%		12.00%		12.00%
$	7,534	$	7,539	$	7,148	$	6,709	$	7,632	$	7,902
	(7,534)		(7,539)		(7,148)		(6,709)		(7,632)		(7,902)
$	-	$	-	$	-	$	-	$	-	$	-
$	53,814	$	53,850	$	54,985	$	55,908	$	63,600	$	65,850
	14.00%		14.00%		13.00%		12.00%		12.00%		12.00%
$	6,991	$	8,278	$	13,278	$	11,635	$	15,390		
	(6,991)		(8,278)		(13,278)		(11,635)		(15,390)		
$	-	$	-	$	-	$	-	$	-		
$	69,910	$	82,780	$	132,780	$	96,958	$	128,250		
	10.00%		10.00%		10.00%		12.00%		12.00%		

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	2023	2022	2021	2020
Police:				
Contractually required contribution	$ 242,765	$ 234,431	$ 229,330	$ 220,040
Contributions in relation to the contractually required contribution	(242,765)	(234,431)	(229,330)	(220,040)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,277,711	$ 1,233,847	$ 1,207,000	$ 1,158,105
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 215,163	$ 209,530	$ 172,654	$ 180,694	$ 178,540	$ 166,116
(215,163)	(209,530)	(172,654)	(180,694)	(178,540)	(166,116)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,132,437	$ 1,102,789	$ 908,705	$ 951,021	$ 939,684	$ 1,045,851
19.00%	19.00%	19.00%	19.00%	19.00%	15.88%

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability/asset	0.024076%	0.024455%	0.023502%	0.025021%	0.024434%	0.024810%	0.025297%
City's proportionate share of the net OPEB liability/(asset)	$ 151,804	$ (765,968)	$ (418,707)	$ 3,456,050	$ 3,185,618	$ 2,694,183	$ 2,555,090
City's covered payroll	$ 4,013,531	$ 3,837,514	$ 3,621,139	$ 3,777,188	$ 3,699,109	$ 3,374,888	$ 3,372,599
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.78%	19.96%	11.56%	91.50%	86.12%	79.83%	75.76%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information
for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the
City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST SEVEN YEARS

	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability	0.04072340%	0.04231530%	0.04251780%	0.04259010%	0.04229000%	0.03836600%	0.04199600%
City's proportionate share of the net OPEB liability	$ 289,939	$ 463,812	$ 450,483	$ 420,694	$ 385,115	$ 2,173,775	$ 1,993,456
City's covered payroll	$ 1,233,847	$ 1,207,000	$ 1,158,105	$ 1,132,437	$ 1,102,789	$ 908,705	$ 951,021
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	23.50%	38.43%	38.90%	37.15%	34.92%	239.22%	209.61%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 5,462	$ 5,431	$ 3,332	$ 3,364
Contributions in relation to the contractually required contribution	(5,462)	(5,431)	(3,332)	(3,364)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 4,143,164	$ 4,013,531	$ 3,837,514	$ 3,621,139
Contributions as a percentage of covered payroll	0.13%	0.14%	0.09%	0.09%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 2,797	$ 3,311	$ 37,732	$ 71,024	$ 65,831	$ 65,264
(2,797)	(3,311)	(37,732)	(71,024)	(65,831)	(65,264)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,777,188	$ 3,699,109	$ 3,374,888	$ 3,372,599	$ 3,419,783	$ 3,290,775
0.07%	0.09%	1.12%	2.11%	1.93%	1.98%

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	2023	2022	2021	2020
Police:				
Contractually required contribution	$ 6,389	$ 6,169	$ 6,035	$ 5,791
Contributions in relation to the contractually required contribution	(6,389)	(6,169)	(6,035)	(5,791)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,277,711	$ 1,233,847	$ 1,207,000	$ 1,158,105
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	5,662	$	5,514	$	4,544	$	4,755	$	4,825	$	5,196
	(5,662)		(5,514)		(4,544)		(4,755)		(4,825)		(5,196)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,132,437	$	1,102,789	$	908,705	$	951,021	$	939,684	$	1,045,851
	0.50%		0.50%		0.50%		0.50%		0.50%		3.62%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

Julian & Grube

333 County Line Road, West
Westerville, OH 43082
614-846-1899

jginc.biz

Independent Auditor's 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*

City of Clyde
Sandusky County
222 North Main Stret
Clyde, Ohio 43410

To the Members of the City Council and Mayor:

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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clyde, Sandusky County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Clyde's basic financial statements, and have issued our report thereon dated October 14, 2024 wherein we noted as described in Note 3 to the financial statements, the City of Clyde restated net position at January 1, 2023 due to a reappraisal of capital assets during 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Clyde'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 of Clyde's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Clyde'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 City of Clyde'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Clyde'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 responses as items 2023-001 through 2023-003.

City of Clyde's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Clyde's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Clyde'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 City of Clyde'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 City of Clyde's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
October 14, 2024

CITY OF CLYDE
SANDUSKY COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2023-001

Noncompliance – System Budget

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The City's County approved estimated resources and Council approved appropriations did not agree to the system budgetary amounts.

By not correctly including accurate (approved) budgetary accounts into the financial software, it could become challenging for the City to easily monitor its budgeted activity in comparison with its actual amounts. The City is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that approved budgetary modifications be incorporated into the accounting system by the Finance Director in a timely manner. This will aid the City Council and Finance Director in their review of budgetary versus actual information and help ensure budgetary requirements are followed.

Client's Response: The City will properly modify the system budget in the future.

Finding Number	2023-002

Noncompliance - Estimated Resources

Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed total estimated resources. In addition, Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. In addition, Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

The City did not request timely amended certificates throughout the year or at year end upon notice of increased or decreased resources, and therefore had total appropriations exceeding total estimated and actual resources in the funds listed below. Additionally, the City did not properly certify its beginning unencumbered fund balance at January 1, 2023 for certain funds.

Fund	Estimated Resources	Appropriations	Excess
Recreation	$ (6,792)	$ 671,126	$ 677,918
Permanent Improvement	3,131,075	3,445,654	314,579

Fund	Actual Resources	Appropriations	Excess
Recreation	$ 278,042	$ 671,126	$ 393,084
Permanent Improvement	3,068,739	3,445,654	376,915

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-002 – (Continued)

By not timely certifying its beginning unencumbered fund balance to the County Auditor or amending certificates upon notice of increased or decreased resources with the County Auditor, the City is basing appropriations and disbursement decisions on inaccurate information.

We recommend the City comply with Ohio Revised Code and Auditor of State Bulletin 97-010 and continually monitor appropriations versus estimated resources. If it is determined that estimated resources will be different than initially anticipated, the City should amend its estimate and also amend the appropriations as necessary.

Client's Response: The City will file amendments of Estimated Resources in the future.

Finding Number	2023-003

Noncompliance - Appropriations

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations. In addition, Ohio Revised Code Section 5705.41 (B) states no subdivision shall make any expenditure of money unless it has been appropriated.

The City did not properly modify its appropriations throughout the year and at year end causing expenditures to exceed appropriations in the following funds.

Fund	Appropriations	Expenditures	Excess
American Rescue PAF Grant	$ 64,491	$ 767,948	$ 703,457
Street Construction Maintenance & Repair	429,561	552,590	123,029

By not properly modifying the City's appropriations, the City is not adequately monitoring appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend the City comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by having all appropriation amendments approved by the Council via resolutions prior to entering into the accounting system and ensuring disbursements are not in excess of appropriations.

Client's Response: The City will properly update system information in the future.

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OHIO AUDITOR OF STATE
KEITH FABER

CITY OF CLYDE

SANDUSKY 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 12/3/2024

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