OHIO AUDITOR OF STATE
KEITH FABER

CITY OF GENEVA
ASHTABULA COUNTY
DECEMBER 31, 2023

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ASHTABULA COUNTY
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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

City of Geneva
Ashtabula County
44 North Forest Street
Geneva, Ohio 44041

To the City Council and City Manager:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva, Ashtabula County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Street Construction, Maintenance and Repair Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, the beginning fund balances and net position were restated due to fund reclassifications, accounting adjustments, and the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements*. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 6, 2024

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The discussion and analysis of the City of Geneva's 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 are encouraged to consider the information presented here in conjunction with the additional information contained in the basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2023 by $28,586,599. This is an increase of $1,043,727 over the prior year. Net position of the City's governmental activities increased $355,652 while net position of the business-type activities increased $688,075.

- Total assets decreased by $489,970 and deferred outflows of resources decreased by $1,091,697. The main factor affecting total assets and deferred outflows was changes related to the City's net pension and net OPEB. For the 2023, the City is no longer reporting a Net OPEB asset related to the pension systems.

- Total liabilities increased by $1,544,336 and deferred inflows of resources decreased by $3,172,881. The main fluctuation in liabilities and deferred inflows can be directly related to net pension liability and net OPEB liability reported for the pension systems.

Using This Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City of Geneva's basic financial statements. These statements are organized so that readers can understand the City as a financial whole or as an entire operating entity. The statements then proceed to provide an increasing detailed look at specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those finances. Major 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 dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

The City of Geneva as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all (non-fiduciary) assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

The statement of net position presents information on all of the City of Geneva's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between all the elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Geneva is improving or deteriorating. However, the analysis on the City's condition must also look at the City's tax base, property tax evaluation and the condition of the City's assets.

The statement of activities presents information showing how the City's net position changed during the recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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 of Geneva, 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 of Geneva can be divided into three categories: governmental, proprietary and fiduciary.

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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the year.

Because the focus of 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, 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 of Geneva maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund and the street maintenance, construction and repair special revenue fund, which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation.

The City of Geneva adopts an annual appropriated budget for each of its funds to demonstrate budgetary compliance.

Proprietary Funds The City of Geneva's proprietary funds are the wastewater and water enterprise funds. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources 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 funds are custodial funds.

Notes to the Basic Financial Statements The notes provide additional information that are essential for a full understanding of the data provided in the government-wide and fund financial statements.

The City as a Whole

As noted earlier, the statement of net position looks at the City as a whole. The following table provides a summary of the City's net position for 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023*	2022	2023	2022
Assets						
Current and Other Assets	$8,107,908	$7,291,569	$3,856,595	$3,688,868	$11,964,503	$10,980,437
Net Pension Asset	49,839	74,490	25,886	39,062	75,725	113,552
Net OPEB Asset	0	233,700	0	122,551	0	356,251
Capital Assets, Net	15,684,951	16,244,458	21,725,123	22,245,574	37,410,074	38,490,032
Total Assets	23,842,698	23,844,217	25,607,604	26,096,055	49,450,302	49,940,272
Deferred Outflows of Resources						
Deferred Charge on Refunding	5,265	6,143	0	0	5,265	6,143
Pension	2,233,745	1,357,216	444,512	146,062	2,678,257	2,709,203
OPEB	360,222	289,644	69,412	838	429,634	1,489,507
Total Deferred Outflows of Resources	2,599,232	1,653,003	513,924	146,900	3,113,156	4,204,853
Liabilities						
Current Liabilities	872,620	906,461	232,940	226,920	1,105,560	1,133,381
Long-Term Liabilities						
Due Within One Year	384,558	424,478	676,518	860,508	1,061,076	1,284,986
Net Pension Liability	5,809,126	3,357,247	1,056,628	580,958	6,865,754	3,938,205
Net OPEB Liability	327,376	476,693	23,098	0	350,474	476,693
Due in More Than One Year	2,246,612	2,484,872	10,403,203	11,170,206	12,649,815	13,655,078
Total Liabilities	$9,640,292	$7,649,751	$12,392,387	$12,838,592	$22,032,679	$20,488,343

(continued)

Table 1
Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023*	2022	2023	2022
Deferred Inflows of Resources						
Property Tax	$793,496	$715,121	$0	$0	$793,496	$715,121
Lease	250,357	327,759	0	0	250,357	327,759
Pension	471,436	1,768,094	39,081	436,537	510,517	2,363,881
OPEB	381,555	487,353	8,255	133,869	389,810	1,710,300
Total Deferred Inflows of Resources	1,896,844	3,298,327	47,336	570,406	1,944,180	5,117,061
Net Position						
Net Investment in Capital Assets	13,281,872	13,746,869	10,703,105	10,316,636	23,984,977	24,063,505
Restricted for:						
Capital Outlay	264,306	413,586	0	0	264,306	413,586
Unclaimed Monies	3,775	5,082	0	0	3,775	5,082
Pension and OPEB Plans	49,839	308,190	25,886	161,613	75,725	469,803
Other Purposes	1,734,205	1,349,264	0	0	1,734,205	1,349,264
Unrestricted (Deficit)	(429,203)	(1,273,849)	2,952,814	2,515,481	2,523,611	1,241,632
Total Net Position	$14,904,794	$14,549,142	$13,681,805	$12,993,730	$28,586,599	$27,542,872

* After deferred outflows of resources and deferred inflows of resources related the change in internal proportionate share of pension/OPEB related items have been eliminated.

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2023. 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.

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.

Total net position for governmental activities showed an increase from 2023. This was largely due to an increase in cash as the City saw an increase in charges for services as well as grants received. Total net position for business-type activities saw an increase as charges for services outpaced expenses.

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

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	$796,118	$460,407	$3,419,779	$3,487,886	$4,215,897	$3,948,293
Operating Grants and Contributions	578,669	385,518	0	0	578,669	385,518
Capital Grants and Contributions	47,585	402,929	0	547,511	47,585	950,440
Total Program Revenues	1,422,372	1,248,854	3,419,779	4,035,397	4,842,151	5,284,251
General Revenues						
Property Taxes	792,064	881,927	0	0	792,064	881,927
Municipal Income Taxes	3,375,607	3,585,859	0	0	3,375,607	3,585,859
Hotel Taxes	25,356	0	0	0	25,356	0
Permissive Taxes	64,851	0	0	0	64,851	0
Grants and Entitlements	621,927	525,627	0	0	621,927	525,627
Franchise Taxes	70,648	74,597	0	0	70,648	74,597
Unrestricted Contributions	17,320	0	0	0	17,320	0
Investment Earnings/Interest	23,677	13,738	10,887	10,862	34,564	24,600
Other	126,446	203,338	85,263	0	211,709	203,338
Total General Revenues	5,117,896	5,285,086	96,150	10,862	5,214,046	5,295,948
Total Revenues	6,540,268	6,533,940	3,515,929	4,046,259	10,056,197	10,580,199
Program Expenses						
General Government	1,336,515	1,036,088	0	0	1,336,515	1,036,088
Security of Persons and Property	3,024,399	2,694,497	0	0	3,024,399	2,694,497
Leisure Time Activities	183,931	173,245	0	0	183,931	173,245
Community Development	198,147	99,991	0	0	198,147	99,991
Transportation	1,338,463	1,217,567	0	0	1,338,463	1,217,567
Interest	79,826	57,320	0	0	79,826	57,320
Wastewater	0	0	1,509,849	1,371,124	1,509,849	1,371,124
Water	0	0	1,341,340	1,263,668	1,341,340	1,263,668
Total Expenses	6,161,281	5,278,708	2,851,189	2,634,792	9,012,470	7,913,500
Increase (Decrease) in Net Position Before Transfers	378,987	1,255,232	664,740	1,411,467	1,043,727	2,666,699
Transfers	(23,335)	(129,876)	23,335	129,876	0	0
Change in Net Position	355,652	1,125,356	688,075	1,541,343	1,043,727	2,666,699
Net Position Beginning of Year	14,549,142	13,423,786	12,993,730	11,452,387	27,542,872	24,876,173
Net Position End of Year	$14,904,794	$14,549,142	$13,681,805	$12,993,730	$28,586,599	$27,542,872

Governmental Activities

Several revenue sources fund governmental activities with City municipal income tax being the largest contributor. The City has a current municipal income tax rate of 1.5 percent and grants a 1 percent credit to residents who pay municipal income tax to another city. Property tax collections are the next largest source of general revenue for governmental activities. The City collects 3.9 mills of inside millage and has approved 4.8 mills of outside millage. The outside millage is generated from a 4.8 mill police levy.

During 2023, property tax revenue collections decreased slightly from the prior year. Municipal income taxes also saw a decrease in collections from 2022. Despite revenues decreasing from the previous year, the City was able to balance their budget and keep expenditures below revenues by $355,652.

Program expenses increased from 2022 levels largely due to a 3 percent wage increase for the police, dispatch and fire employees. The street employees received a 2 percent wage increase. In addition, the City saw an increase of 9.5 percent in health insurance premium costs.

Business-Type Activities

The City's business-type activities are comprised of two enterprise funds, which are the City's wastewater and water operations. The City's wastewater system services not only include the City, but a few surrounding communities. The water fund accounts for distribution of water to individuals and commercial users in various parts of the City. Total net position for the wastewater treatment and water enterprise funds increased from $12,993,730 to $13,681,805 as user charges exceeded current year expenses.

Governmental Funds Financial Analysis

A review of the City's governmental funds provides information on near-term flows and balances of expendable resources and serves as a useful measure of the City's net resources. Governmental fund information can be found beginning on page 16 and is accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the general fund and the street maintenance, construction and repairs special revenue fund. The general fund revenues exceeded expenditures for the year after inception of subscriptions and transfers out are included by $555,552. Revenues decreased from the prior year; however, management was able to monitor their budgets closely and despite wage and health care increases, expenditures were less than the prior year. Management continues to monitor it's spending to stay in line with the budget. The street maintenance, construction and repairs special revenue fund balance increased due to revenues outpacing expenditures for the year.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2023, the City amended its general fund accordingly to avoid waiting until the end of the year to adjust appropriations. The control level of the general fund is by the personal services and other object within each department. This allows the City to make small interdepartmental budget modifications within departments. The general fund is monitored closely with regard to revenues and related expenditures. There was an increase in revenues from the final budget due to higher than expected municipal income taxes, intergovernmental, fees, licenses and permits, charges for services and interest revenue received. There was a decrease in actual expenditures made compared to the final budget. This was due to restricting spending as much as possible in the City's efforts to continue its financial stability.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows 2023 balances of capital assets as compared to 2022.

Table 4
Capital Assets at December 31
(Net of Accumulated Depreciation/Amortization)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$884,215	$884,215	$0	$0	$884,215	$884,215
Construction in Progress	379,141	136,731	574,327	6,154,352	953,468	6,291,083
Historical Treasurers	46,378	46,378	0	0	46,378	46,378
Easements	0	0	45,431	45,431	45,431	45,431
Buildings and Land Improvements	2,373,576	2,512,863	4,270,501	1,437,343	6,644,077	3,950,206
Machinery and Equipment	269,867	360,557	2,578,938	549,629	2,848,805	910,186
Vehicles	1,408,766	1,617,174	6,221	63,797	1,414,987	1,680,971
Infrastructure	10,272,500	10,643,443	14,242,238	13,995,022	24,514,738	24,638,465
Intangible Right to Use - Equipment	0	0	7,467	0	7,467	0
Intangible Right to Use - Software	50,508	43,097	0	0	50,508	43,097
Total Capital Assets	$15,684,951	$16,244,458	$21,725,123	$22,245,574	$37,410,074	$38,490,032

Governmental Additions For 2023, the primary additions for governmental activities included construction in progress that includes energy improvements throughout the City and infrastructure additions including Pleasant Avenue and State Route 534 intersection improvement project. These additions were offset by another year of deprecation. In 2023, the City implemented GASB Statement No. 96. As a result, the City is recording an intangible right to use for subscriptions.

Business-type Additions For 2023, the primary additions for business-type activities included the completed headworks project in the wastewater treatment fund. The City also added a mechanical bar screen, grit removal system and tank modifications. Additional information concerning the City's capital assets can be found in Note 14 to the basic financial statements.

Debt

Table 5 summarizes the City's long-term obligations outstanding at December 31, 2023.

Table 5
Outstanding Long-Term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes Payable	$716,392	$766,565	$0	$0	$716,392	$766,565
General Obligation Bonds	734,787	894,082	0	0	734,787	894,082
OWDA Loans	0	0	10,437,021	11,326,973	10,437,021	11,326,973
OPWC Loans	546,221	597,763	536,610	593,316	1,082,831	1,191,079
Financed Purchases	383,970	413,983	40,911	42,622	424,881	456,605
Lease Payables	0	0	7,476	0	7,476	0
Subscription Payables	26,974	23,666	0	0	26,974	23,666
Compensated Absences	222,826	213,291	57,703	67,803	280,529	281,094
Net Pension Liability	5,809,126	3,357,247	1,056,628	335,717	6,865,754	3,692,964
Net OPEB Liability	327,376	476,693	23,098	0	350,474	476,693
Total	$8,767,672	$6,743,290	$12,159,447	$12,366,431	$20,927,119	$19,109,721

At December 31, 2023, the notes payable include 2018 bond anticipations notes. General obligation bonds include 2018 fire truck acquisition bonds, 2018 various purpose bonds and 2018 general obligation refunding bonds. The OPWC and OWDA loans outstanding are for infrastructure improvement projects, which are being repaid using street construction, maintenance and repair revenues as well as wastewater treatment and water user charges.

In addition to the debt discussed above, the City's long-term obligations also include financed purchases, leases, subscriptions, compensated absences, pension and OPEB. Additional information concerning debt issuances can be found in Note 15 to the basic financial statements.

Current Related Financial Activities

The City of Geneva is committed to maintaining the highest standards of services to the citizens of Geneva and is proactive when planning expenses in order to stay within the City's revenues. The City is heavily reliant on income and property taxpayers. During 2023, the City did see a slight upswing in property tax collection received by the County. Income Tax also increased as a result of an increase in collections for prior year delinquencies, as well as an increase in overall taxable wages paid by employers to compensate for the dramatic increase in inflation and a need to hire and retain employees. Water and sewer revenue collection also increased in comparison to the previous year as a result of a 10 percent rate increase.

The City's elected and appointed officials considered many factors when preparing the fiscal year 2023 budget. The continued use of a conservative spending approach; current economic conditions; basic operating costs, which include negotiated salary increases, benefits; and upcoming infrastructure projects are all factors recognized during the challenging budget process. Management is committed to keeping a close watch on current conditions as it compares to the budgeted projections to determine if increased revenues, or reductions in expenses are necessary in order to maintain fiscal stability. In conclusion, management is committed to provide the residents of the City with full disclosure of the financial position of the City.

Contacting the City of Geneva'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 all money it receives, spends, or invests. If you have any questions about this report or need additional financial information, contact Finance Director, Traci Welch, City of Geneva, at 440-466-4675.

Basic Financial Statements

City of Geneva, Ohio

Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities*	Total
Assets			
Equity in Pooled Cash and			
Cash Equivalents	$5,105,474	$2,891,121	$7,996,595
Accounts Receivable	90,746	511,339	602,085
Intergovernmental Receivable	442,721	310,259	752,980
Prepaid Items	187,823	47,211	235,034
Materials and Supplies Inventory	32,607	67,008	99,615
Property Taxes Receivable	839,560	0	839,560
Municipal Income Taxes Receivable	945,777	0	945,777
Hotel Taxes Receivable	2,649	0	2,649
Permissive Taxes Receivable	4,816	0	4,816
Special Assessments Receivable	226,704	29,657	256,361
Leases Receivable	229,031	0	229,031
Net Pension Asset	49,839	25,886	75,725
Nondepreciable Capital Assets	1,309,734	619,758	1,929,492
Depreciable Capital Assets, Net	14,375,217	21,105,365	35,480,582
Total Assets	23,842,698	25,607,604	49,450,302
Deferred Outflows of Resources			
Deferred Charge on Refunding	5,265	0	5,265
Pension	2,233,745	444,512	2,678,257
OPEB	360,222	69,412	429,634
Total Deferred Outflows of Resources	2,599,232	513,924	3,113,156
Liabilities			
Accounts Payable	68,249	22,295	90,544
Accrued Wages	84,429	23,807	108,236
Intergovernmental Payable	66,656	133,514	200,170
Matured OWDA Loans Payable	0	6,932	6,932
Matured Interest Payable	0	802	802
Deposits Held Payable	28,195	0	28,195
Accrued Interest Payable	40,784	5,090	45,874
Unearned Revenue	584,307	40,500	624,807
Long-Term Liabilities:			
Due Within One Year	384,558	676,518	1,061,076
Due In More Than One Year:			
Net Pension Liability (See Note 17)	5,809,126	1,056,628	6,865,754
Net OPEB Liability (See Note 18)	327,376	23,098	350,474
Other Amounts Due In More Than One Year	2,246,612	10,403,203	12,649,815
Total Liabilities	9,640,292	12,392,387	22,032,679
Deferred Inflows of Resources			
Property Taxes	793,496	0	793,496
Leases	250,357	0	250,357
Pension	471,436	39,081	510,517
OPEB	381,555	8,255	389,810
Total Deferred Inflows of Resources	1,896,844	47,336	1,944,180
Net Position			
Net Investment in Capital Assets	13,281,872	10,703,105	23,984,977
Restricted for:			
Capital Projects	264,306	0	264,306
Street Construction, Maintenance and Repair	437,553	0	437,553
Police and Fire Operations	541,607	0	541,607
Law Enforcement and Education	92,008	0	92,008
Street Lighting	537,708	0	537,708
Pension Plans	49,839	25,886	75,725
Unclaimed Monies	3,775	0	3,775
Other Purposes	125,329	0	125,329
Unrestricted (Deficit)	(429,203)	2,952,814	2,523,611
Total Net Position	$14,904,794	$13,681,805	$28,586,599

* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension-related items have been eliminated (See Note 11).

See accompanying notes to the basic financial statements

City of Geneva, Ohio
Statement of Activities
For the Year Ended December 31, 2023

	Expenses	Program Revenues: Charges for Services and Assessments	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$1,336,515	$219,789	$7,967	$11,553
Security of Persons and Property	3,024,399	312,202	69,680	0
Leisure Time Activities	183,931	15,051	0	0
Community Development	198,147	12,194	12,610	0
Transportation	1,338,463	236,882	488,412	36,032
Interest	79,826	0	0	0
Total Governmental Activities	6,161,281	796,118	578,669	47,585
Business-Type Activities:				
Wastewater	1,509,849	1,665,589	0	0
Water	1,341,340	1,754,190	0	0
Total Business-Type Activities	2,851,189	3,419,779	0	0
Total	$9,012,470	$4,215,897	$578,669	$47,585

General Revenues
Property Taxes Levied for:
General Purposes
Other Purposes
Municipal Income Taxes Levied for:
General Purposes
Hotel Taxes
Permissive Taxes
Grants and Entitlements not Restricted to Specific Programs
Franchise Taxes
Unrestricted Contributions
Investment Earnings/Interest
Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
($1,097,206)	$0	($1,097,206)
(2,642,517)	0	(2,642,517)
(168,880)	0	(168,880)
(173,343)	0	(173,343)
(577,137)	0	(577,137)
(79,826)	0	(79,826)
(4,738,909)	0	(4,738,909)
0	155,740	155,740
0	412,850	412,850
0	568,590	568,590
(4,738,909)	568,590	(4,170,319)
324,679	0	324,679
467,385	0	467,385
3,375,607	0	3,375,607
25,356	0	25,356
64,851	0	64,851
621,927	0	621,927
70,648	0	70,648
17,320	0	17,320
23,677	10,887	34,564
126,446	85,263	211,709
5,117,896	96,150	5,214,046
(23,335)	23,335	0
5,094,561	119,485	5,214,046
355,652	688,075	1,043,727
14,549,142	12,993,730	27,542,872
$14,904,794	$13,681,805	$28,586,599

City of Geneva, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$3,007,530	$135,548	$1,930,426	$5,073,504
Materials and Supplies Inventory	19,162	13,445	0	32,607
Accounts Receivable	30,101	0	60,645	90,746
Intergovernmental Receivable	205,672	176,155	60,894	442,721
Prepaid Items	154,963	28,064	4,796	187,823
Municipal Income Taxes Receivable	945,777	0	0	945,777
Property Taxes Receivable	373,681	0	465,879	839,560
Hotel Taxes Receivable	2,649	0	0	2,649
Permissive Taxes Receivable	0	0	4,816	4,816
Interfund Receivable	54,576	0	0	54,576
Special Assessments Receivable	0	0	226,704	226,704
Leases Receivable	229,031	0	0	229,031
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	3,775	0	28,195	31,970
Total Assets	$5,026,917	$353,212	$2,782,355	$8,162,484
Liabilities				
Accounts Payable	$48,184	$3,421	$16,644	$68,249
Accrued Wages	73,195	6,596	4,638	84,429
Intergovernmental Payable	43,836	9,278	13,542	66,656
Unearned Revenue	16,917	0	567,390	584,307
Deposits Held Payable from Restricted Assets	0	0	28,195	28,195
Interfund Payable	0	0	54,576	54,576
Total Liabilities	182,132	19,295	684,985	886,412
Deferred Inflows of Resources				
Property Taxes	354,795	0	438,701	793,496
Leases	250,357	0	0	250,357
Unavailable Revenue	699,383	118,487	349,714	1,167,584
Total Deferred Inflows of Resources	1,304,535	118,487	788,415	2,211,437
Fund Balances				
Nonspendable	177,900	41,509	4,796	224,205
Restricted	0	173,921	1,358,506	1,532,427
Assigned	1,290,166	0	0	1,290,166
Unassigned (Deficit)	2,072,184	0	(54,347)	2,017,837
Total Fund Balances	3,540,250	215,430	1,308,955	5,064,635
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$5,026,917	$353,212	$2,782,355	$8,162,484

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total Governmental Funds Balances		$5,064,635
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,684,951
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds:		
Delinquent Property Taxes	46,064	
Municipal Income Taxes	519,682	
Intergovernmental	297,941	
Charges for Services	226,704	
Fines, Forfeitures and Settlements	60,645	
Franchise Tax	16,548	
Total		1,167,584
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(40,784)
Deferred outflows of resources represent deferred charges on refunding which are not reported in the funds.		5,265
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Notes Payable	(716,392)	
General Obligation Bonds	(734,787)	
OPWC Loans Payable	(546,221)	
Financed Purchases	(383,970)	
Subscriptions Payable	(26,974)	
Compensated Absences	(222,826)	
Total		(2,631,170)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current periods; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net Pension Asset	49,839	
Deferred Outflows - Pension	2,233,745	
Deferred Inflows - Pension	(471,436)	
Net Pension Liability	(5,809,126)	
Deferred Outflows - OPEB	360,222	
Deferred Inflows - OPEB	(381,555)	
Net OPEB Liability	(327,376)	
Total		(4,345,687)
Net Position of Governmental Activities		$14,904,794

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$324,753	$0	$467,304	$792,057
Municipal Income Taxes	3,373,309	0	0	3,373,309
Hotel Taxes	25,356	0	0	25,356
Permissive Taxes	0	60,035	4,816	64,851
Special Assessments	0	0	11,728	11,728
Intergovernmental	593,905	451,990	157,783	1,203,678
Fees, Licenses and Permits	89,492	0	7,046	96,538
Fines, Forfeitures and Settlements	0	0	2,176	2,176
Leases	88,416	0	0	88,416
Rentals	17,522	0	0	17,522
Charges for Services	302,732	0	0	302,732
Contributions and Donations	19,930	0	0	19,930
Investment Earnings/Interest	20,767	0	2,910	23,677
Franchise Taxes	72,570	0	0	72,570
Other	62,855	21,275	105,911	190,041
Total Revenues	4,991,607	533,300	759,674	6,284,581
Expenditures				
Current:				
General Government	1,210,141	0	3,692	1,213,833
Security of Persons and Property	2,239,420	0	332,127	2,571,547
Leisure Time Activities	136,852	0	0	136,852
Community Development	151,132	0	47,000	198,132
Transportation	0	525,828	194,940	720,768
Capital Outlay	30,930	274,615	154,386	459,931
Debt Service:				
Principal Retirement	28,489	46,775	243,381	318,645
Interest	1,255	0	51,825	53,080
Total Expenditures	3,798,219	847,218	1,027,351	5,672,788
Excess of Revenues Over (Under) Expenditures	1,193,388	(313,918)	(267,677)	611,793
Other Financing Sources (Uses)				
Inception of Subscriptions	30,930	0	0	30,930
Transfers In	0	396,000	251,431	647,431
Transfers Out	(670,766)	0	0	(670,766)
Total Other Financing Sources (Uses)	(639,836)	396,000	251,431	7,595
Net Change in Fund Balances	553,552	82,082	(16,246)	619,388
Fund Balances Beginning of Year - Restated (See Note 3)	2,986,698	133,348	1,325,201	4,445,247
Fund Balance End of Year	$3,540,250	$215,430	$1,308,955	$5,064,635

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds		$619,388
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 is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period:		
Capital Asset Additions	519,106	
Current Year Depreciation/Amortization	(1,077,705)	
Total		(558,599)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(908)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes	7	
Municipal Income Taxes	2,298	
Intergovernmental	41,893	
Special Assessments	224,195	
Charges for Services	(7,834)	
Fines, Forfeitures and Settlements	60,645	
Franchise Taxes	(1,922)	
Miscellaneous	(63,595)	
Total		255,687
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position:		
Notes Payable	50,173	
General Obligation Bonds Payable	159,295	
OPWC Loans Payable	51,542	
Financed Purchases	30,013	
Subscriptions Payable	27,622	
Total		318,645
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net position:		
Accrued Interest	(25,868)	
Amortization of Accounting Loss	(878)	
Total		(26,746)
Compensated absences reported in the statement of activities do not require the the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(9,535)
Inception of subscriptions in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.		(30,930)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	396,734	
OPEB	7,673	
Total		404,407
Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities.		
Pension	(700,077)	
OPEB	84,320	
Total		(615,757)
Change in Net Position of Governmental Activities		$355,652

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$649,507	$324,753	$324,753	$0
Municipal Income Taxes	2,391,956	3,345,453	3,383,354	37,901
Hotel Taxes	19,608	22,707	22,707	0
Intergovernmental	498,946	562,294	569,976	7,682
Fees, Licenses and Permits	53,414	80,007	86,206	6,199
Rentals	116,100	116,100	113,222	(2,878)
Charges for Services	255,996	310,304	335,957	25,653
Contributions and Donations	17,320	17,320	17,320	0
Interest	12,639	12,639	13,893	1,254
Franchise Taxes	70,628	70,628	70,628	0
Other	33,878	65,771	67,216	1,445
Total Revenues	4,119,992	4,927,976	5,005,232	77,256
Expenditures				
Current:				
General Government	1,414,126	1,470,736	1,207,221	263,515
Security of Persons and Property	2,599,711	2,723,094	2,307,177	415,917
Leisure Time Activities	429,230	438,870	138,544	300,326
Community Development	141,888	148,014	112,819	35,195
Total Expenditures	4,584,955	4,780,714	3,765,761	1,014,953
Excess of Revenues Over (Under) Expenditures	(464,963)	147,262	1,239,471	1,092,209
Other Financing Sources (Uses)				
Financed Purchase Issued	125,723	125,723	125,723	0
Sale of Capital Assets	500	500	0	(500)
Advances In	200,000	200,000	0	(200,000)
Transfers Out	(1,093,744)	(1,250,619)	(700,891)	549,728
Total Other Financing Sources (Uses)	(767,521)	(924,396)	(575,168)	349,228
Net Change in Fund Balance	(1,232,484)	(777,134)	664,303	1,441,437
Fund Balance Beginning of Year	2,198,007	2,198,007	2,198,007	0
Prior Year Encumbrances Appropriated	85,007	85,007	85,007	0
Fund Balances End of Year	$1,050,530	$1,505,880	$2,947,317	$1,441,437

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Permissive Motor Vehicle Taxes	$155,117	$80,000	$60,035	($19,965)
Intergovernmental	234,019	434,581	456,215	21,634
Other	3,195	21,640	21,640	0
Total Revenues	392,331	536,221	537,890	1,669
Expenditures				
Current:				
Transportation	846,773	987,335	716,383	270,952
Capital Outlay	242,643	296,988	274,615	22,373
Debt Service:				
Principal Retirement	46,775	46,775	46,775	0
Total Expenditures	1,136,191	1,331,098	1,037,773	293,325
Excess of Revenues Over (Under) Expenditures	(743,860)	(794,877)	(499,883)	294,994
Other Financing Sources (Uses)				
Financed Purchase Issued	54,269	54,269	54,269	0
Transfers In	514,748	679,976	396,000	(283,976)
Total Other Financing Sources (Uses)	569,017	734,245	450,269	(283,976)
Net Change in Fund Balance	(174,843)	(60,632)	(49,614)	11,018
Fund Balance Beginning of Year	132,272	132,272	132,272	0
Fund Balance End of Year	($42,571)	$71,640	$82,658	$11,018

See accompanying notes to the basic financial statements

City of Geneva, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities		
	Wastwater	Water	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	$2,017,194	$873,927	$2,891,121
Materials and Supplies Inventory	13,489	53,519	67,008
Receivables:			
Accounts	273,124	238,215	511,339
Intergovernmental	309,853	406	310,259
Special Assessments	24,688	4,969	29,657
Prepaid Items	34,354	12,857	47,211
Total Current Assets	2,672,702	1,183,893	3,856,595
Noncurrent Assets:			
Restricted Assets:			
Net Pension Asset	17,987	7,899	25,886
Capital Assets:			
Nondepreciable Capital Assets	608,295	11,463	619,758
Depreciable Capital Assets, Net	13,649,798	7,455,567	21,105,365
Total Noncurrent Assets	14,276,080	7,474,929	21,751,009
Total Assets	16,948,782	8,658,822	25,607,604
Deferred Outflows of Resources			
Pension	313,148	136,334	449,482
OPEB	48,277	21,177	69,454
Total Deferred Outflows of Resources	361,425	157,511	518,936
Liabilities			
Current Liabilities:			
Accounts Payable	19,625	2,670	22,295
Accrued Wages	13,611	10,196	23,807
Intergovernmental Payable	6,721	126,793	133,514
Compensated Absences Payable	26,867	594	27,461
Matured OWDA Loans Payable	6,932	0	6,932
Matured Interest Payable	802		802
Accrued Interest Payable	5,090	0	5,090
Unearned Revenue	40,500	0	40,500
OPWC Loans Payable	26,900	29,805	56,705
OWDA Loans Payable	164,129	425,677	589,806
Financed Purchases	1,195	0	1,195
Leases Payable	1,351	0	1,351
Total Current Liabilities	313,723	595,735	909,458
Long-Term Liabilities (net of current portion):			
Compensated Absences Payable	22,261	7,981	30,242
OPWC Loans Payable	234,475	245,430	479,905
OWDA Loans Payable	7,005,893	2,841,322	9,847,215
Financed Purchases	39,716	0	39,716
Leases Payable	6,125	0	6,125
Net Pension Liability	734,261	322,367	1,056,628
Net OPEB Liability	16,052	7,046	23,098
Total Long-Term Liabilities	8,058,783	3,424,146	11,482,929
Total Liabilities	8,372,506	4,019,881	12,392,387
Deferred Inflows of Resources			
Pension	7,842	36,209	44,051
OPEB	5,596	2,701	8,297
Total Deferred Inflows of Resources	13,438	38,910	52,348
Net Position			
Net Investment in Capital Assets	6,778,309	3,924,796	10,703,105
Restricted for Pension Plans	17,987	7,899	25,886
Unrestricted	2,127,967	824,847	2,952,814
Total Net Position	$8,924,263	$4,757,542	$13,681,805

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities		
	Wastwater	Water	Total
Operating Revenues			
Charges for Services	$1,665,589	$1,754,190	$3,419,779
Other	83,972	1,291	85,263
Total Operating Revenues	1,749,561	1,755,481	3,505,042
Operating Expenses			
Personal Services	622,533	249,112	871,645
Contractual Services	227,101	659,375	886,476
Materials and Supplies	134,785	34,277	169,062
Depreciation and Amortization	383,140	278,391	661,531
Total Operating Expenses	1,367,559	1,221,155	2,588,714
Operating Income (Loss)	382,002	534,326	916,328
Non-Operating Revenues (Expenses)			
Investment Earnings/Interest	7,640	3,247	10,887
(Loss) on Disposal of Capital Assets	(7,074)	0	(7,074)
Interest	(135,216)	(120,185)	(255,401)
Total Non-Operating Income (Expenses)	(134,650)	(116,938)	(251,588)
Income (Loss) before Transfers	247,352	417,388	664,740
Transfers In	23,335	0	23,335
Change in Net Position	270,687	417,388	688,075
Net Position Beginning of Year - Restated (See Note 3)	8,653,576	4,340,154	12,993,730
Net Position End of Year	$8,924,263	$4,757,542	$13,681,805

See accompanying notes to the basic financial statements

City of Geneva, Ohio

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

	Business-Type Activities		
	Wastewater	Water	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	$1,760,734	$1,724,152	$3,484,886
Other Cash Receipts	83,401	1,112	84,513
Cash Payments to Employees for Services	(610,339)	(261,126)	(871,465)
Cash Payments for Goods and Services	(379,390)	(734,449)	(1,113,839)
Net Cash Provided by (Used in) Operating Activities	854,406	729,689	1,584,095
Cash Flows from Noncapital Financing Activities			
Advances Out	(33,616)	0	(33,616)
Transfers In	23,335	0	23,335
Net Cash Provided by (Used in) Noncapital Financing Activities	(10,281)	0	(10,281)
Cash Flows from Capital and Related Financing Activities			
Interest Earned on Investments	7,640	3,247	10,887
OWDA Loans Issued	52,079	0	52,079
Lease Payable Issued	8,000	0	8,000
Principal Paid on OWDA Loans	(526,114)	(408,985)	(935,099)
Interest Paid on OWDA Loans	(129,034)	(120,185)	(249,219)
Principal Paid on OPWC Loans	(26,901)	(29,805)	(56,706)
Principal Paid on Financed Purchase	(1,711)	0	(1,711)
Interest Paid on Financed Purchase	(40)	0	(40)
Principal Paid on Lease	(524)	0	(524)
Interest Paid on Lease	(328)	0	(328)
Payments for Capital Acquisitions	(148,154)	0	(148,154)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(765,087)	(555,728)	(1,320,815)
Net Increase (Decrease) in Cash and Cash Equivalents	79,038	173,961	252,999
Cash and Cash Equivalents Beginning of Year	1,938,156	699,966	2,638,122
Cash and Cash Equivalents End of Year	$2,017,194	$873,927	$2,891,121

(continued)

	Business-Type Activities		
	Wastewater	Water	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$382,002	$534,326	$916,328
Adjustments:			
Depreciation and Amortization	383,140	278,391	661,531
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	14,056	(28,814)	(14,758)
Intergovernmental Receivable	34,353	(179)	34,174
Special Assessments Receivable	46,165	(1,224)	44,941
Materials and Supplies Inventory	(5,877)	(24,066)	(29,943)
Prepaid Items	(728)	(266)	(994)
Net Pension Asset	1,219	1,171	2,390
Deferred Outflows - Pension	135,541	57,485	193,026
Deferred Outflows - OPEB	32,177	14,115	46,292
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	186	(747)	(561)
Accrued Wages	(2,737)	3,041	304
Compensated Absences Payable	(7,689)	(2,411)	(10,100)
Intergovernmental Payable	5,915	(12,384)	(6,469)
Net Pension Liability	19,502	15,471	34,973
Net OPEB Liability	(311)	(63)	(374)
Deferred Inflows - Pension	(117,371)	(74,837)	(192,208)
Deferred Inflows - OPEB	(65,137)	(29,320)	(94,457)
Total Adjustments	472,404	195,363	667,767
Net Cash Provided by (Used for) Operating Activities	$854,406	$729,689	$1,584,095

Non-Cash Capital Transactions

During 2023, the wastewater fund reported a matured OWDA loan payable and matured interest payable for principal and interest not paid in the amounts of $6,932 and $802, respectively.

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

Assets	
Equity in Pooled Cash and Cash Equivalents	$10,033
Municipal Income Taxes Receivable	29,960
Property Taxes Receivable	28,600
Intergovernmental Receivable	1,642
Total Assets	70,235
Liabilities	
Intergovernmental Payable	70,235
Net Position	
Restricted for Individuals, Organizations and Other Governments	$0

See accompanying notes to the basic financial statements

City of Geneva, Ohio

Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2023

Additions	
Income Tax Collections for Other Governments	$123,401
Property Tax Collections for Other Governments	56,399
Intergovernmental Collections for Other Governments	3,155
Total Additions	182,955
Deletions	
Distributions to Other Governments	182,955
Change in Fiduciary Net Position	0
Net Position Beginning of Year	0
Net Position End of Year	$0

See accompanying notes to the basic financial statements

Note 1 - Description of the City and Reporting Entity

The City of Geneva (the "City") is a home rule municipal corporation duly organized and existing under the constitution and laws of the State of Ohio. The City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable general laws. The City was incorporated as a city in 1958. The City operates under its own charter and is governed by a City Manager-Council form of government, which was adopted on November 2, 1957. Members of Council are elected to four-year staggered terms.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Geneva, this includes police protection, firefighting and prevention, street construction, maintenance and repairs, building inspection, parks and recreation, wastewater, water distribution, community center and general administration services. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The reporting entity of the City does not include any component units.

The City is associated with one risk sharing pool, three jointly governed organizations and three joint economic development districts (JEDD). These organizations are the Public Entities Pool of Ohio (PEP), the Ashtabula County General Health District, the Geneva Union Cemetery District, the Northeast Ohio Public Energy Council, JEDD-1, JEDD-II and JEDD-III. These organizations are presented in Notes 19, 20 and 21 to the basic financial statements,

The City is also associated with the Community Improvement Corporation of Geneva (CIC). The CIC is a legally separate, non-profit organization, served by a 15-member board composed of City officials and community representatives. Charged with the responsibilities of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of the Geneva area, the CIC is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The CIC is not deemed significant to the City; therefore, it has been excluded from the reporting entity. Separately issued financial statements can be obtained from the City of Geneva.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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 function is self-financing or draws from the general revenues of the City.

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

Fund Accounting

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

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

The following are the City's major governmental funds:

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

Street Construction, Maintenance, and Repair Fund The Street Construction, Maintenance and Repair Special Revenue Fund (SCMR) accounts for the portion of the state gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City.

The other governmental funds of the City account for grants and other resources whose use is restricted or committed to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

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

Wastewater Fund The Wastewater Fund accounts for the wastewater service provided to residential and commercial users within the City.

Water Fund The Water Fund accounts for the provision of water distribution to residential and commercial users within the City.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's only fiduciary funds are custodial funds. The custodial funds report property taxes collected for the benefit of an distributed on behalf of the Geneva Union Cemetery and to distribute income tax revenues related to local Joint Economic Development Districts. When the property taxes and income taxes are collected, no further action is needed to release the assets to the beneficiaries.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources 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 statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets 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 fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deletions from the custodial funds.

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; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, the resources must also be available before they can be recorded as revenue. 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.

Non-exchange 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. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). 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 non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), charges for services, grants, fees and rentals.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received, charges for services for emergency medical services and tap in fees received before eligibility requirements have been met.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 17 and 18.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, leases, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, ambulance charges, fines, forfeitures and settlements and franchise taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities on page 19. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (See Notes 17 and 18).

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.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other expenditure object levels within each department for all funds. Budgetary modifications for each fund may only be made by ordinance of the Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Finance Director. 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 final amended certificate of estimated resources issued during 2023.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources and expenditures plus encumbrances cannot exceed appropriations at the legal level of control. The amounts reported as the original budgeted amounts on the budgetary statements reflect the first appropriations 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 Council during the year.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2023, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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.

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 per day.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2023 amounted to $20,767, of which $4,423 was assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

Prepaid Items

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

Materials and Supplies Inventory

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures in the governmental fund types and as expenses in the proprietary fund types when used.

Restricted Assets

Assets are reported as restricted when limitations on their use change in 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 imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent unclaimed monies. Restricted assets in the Millwood subdivision phase II, fire loss trust and wireless telecom trust special revenue funds represent refundable deposits. Restricted assets in the enterprise funds represents amounts held in trust by the pension plans for future benefits.

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 (except for intangible right to use lease assets and subscription assets, which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars. 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.

All reported capital assets are depreciated or amortized except for land, construction in progress and historical treasures and easements. 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 and amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Tangible Assets		
Buildings and Improvements	5 - 50 years	10 - 90 years
Machinery and Equipment	3 - 60 years	3 - 60 years
Vehicles	2 - 20 years	3 - 20 years
Infrastructure	10 - 100 years	10 - 100 years
Intangible Assets		
Intangible Right to Use - Equipment		
Intangible Right to Use - Software	3 - 5 years	N/A

The City's infrastructure consists of bridges, roads, curbs, sidewalks, traffic lights, storm water drains and sanitary sewers, waterlines and includes infrastructure acquired prior to December 31, 1980.

The City is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension and OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources or deferred inflows of resources on the statement of net position.

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, 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 fiscal 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. Bonds, financed purchases, subscriptions payable and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Leases

The City serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

> ***Lessee*** At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31st by those employees who are currently eligible to receive termination payments as well as the sick leave accumulated by those employees expected to become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year, taking into consideration any limits specified in the City's termination policy.

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 category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually 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 placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of City Council. 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 or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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 or 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 City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2024's appropriated budget.

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 used only to report a deficit fund balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for pension plans represent the corresponding restricted asset amounts held in trust by the pension plans for future benefits. Net position restricted for other purposes include resources restricted for community development and grants.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for wastewater and water. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

SBITAs

The City is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction or from contributions from governmental activities.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Estimates

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

Note 3 – Change in Accounting Principle and Restatement of Fund Balances and Net Position

Change in Accounting Principles

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

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The City did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the City's 2023 financial statements. The City recognized $23,666 in subscriptions payable at January 1, 2023 which was offset by the subscription asset. The City also recognized $19,431 at January 1, 2023 as an intangible asset, right to use subscription – software for prepaid SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the City also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

Restatement of Fund Balances and Net Position

Upon review of the City's funds, the City determined that police academy and 911 emergency service special revenue funds should be classified with the general fund and the JEDD III construction capital projects fund should be classified with the wastewater treatment enterprise fund in order to properly reflect the activity of the funds. The City also determined cash was overstated, interfund receivable and payable were understated and intergovernmental payables were understated. These changes, along with the implementation of GASB 96, had the following effect on fund balance and net position as reported December 31, 2022.

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total
Fund Balance December 31, 2022	$3,055,529	$133,348	$1,246,535	$4,435,412
Adjustments:				
Overstatement of Cash	(12,435)	0	(11,346)	(23,781)
Fund Reclassifications	404	0	90,012	90,416
Understatement of Interfund Receivable	(56,800)	0	0	(56,800)
Restated Fund Balance December 31, 2022	$2,986,698	$133,348	$1,325,201	$4,445,247

	Wastewater	Water	Total Business-Type Activities
Net Position at December 31, 2022	$8,774,332	$4,304,866	$13,079,198
Adjustments:			
Overstatement of Cash	(87,140)	35,288	(51,852)
Fund Reclassification	(90,416)	0	(90,416)
Understatement of Interfund Payable	56,800	0	56,800
Restated Net Position at December 31, 2022	$8,653,576	$4,340,154	$12,993,730

	Governmental Activities	Business-Type Activities	Total
Net Position at December 31, 2022	$14,519,876	$13,079,198	$27,599,074
Adjustments:			
GASB Statement 96	19,431	0	19,431
Overstatement of Cash	(23,781)	(51,852)	(75,633)
Fund Reclassification	90,416	(90,416)	0
Understatement of Interfund Receivable	(56,800)	0	(56,800)
Understatement of Interfund Payable	0	56,800	56,800
Restated Net Position at December 31, 2022	$14,549,142	$12,993,730	$27,542,872

Net position at December 31, 2022 for custodial funds decreased $3,394 to $0 as a result of intergovernmental payables understated.

Note 4 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Street Construction Maintenance and Repair	Other Governmental Funds	Total
Nonspendable				
Inventory	$19,162	$13,445	$0	$32,607
Prepaids	154,963	28,064	4,796	187,823
Unclaimed Monies	3,775	0	0	3,775
Total Nonspendable	177,900	41,509	4,796	224,205
Restricted for				
Capital Improvements	0	0	264,306	264,306
Streets and Highways	0	173,921	128,451	302,372
Police	0	0	497,133	497,133
Law Enforcement and Education	0	0	91,928	91,928
Community Development	0	0	64,684	64,684
Street Lighting	0	0	311,004	311,004
Debt Service	0	0	1,000	1,000
Total Restricted	$0	$173,921	$1,358,506	$1,532,427

(continued)

Fund Balances	General	Street Construction Maintenance and Repair	Other Governmental Funds	Total
Assigned to				
Purchases on Order:				
Supplies	$26,581	$0	$0	$26,581
Community Development	7,704	0	0	7,704
Year 2024 Appropriations	1,255,881	0	0	1,255,881
Total Assigned	1,290,166	0	0	1,290,166
Unassigned (Deficit)	2,072,184	0	(54,347)	2,017,837
Total Fund Balances	$3,540,250	$215,430	$1,308,955	$5,064,635

Note 5 –Accountability

As of December 31, 2023, the North Avenue bridge rehabilitation capital projects fund had a deficit fund balance in the amount of $54,347 as a result of the recognition of payables in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 6 - Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget (non-GAAP basis) and actual presented for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

3. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.

4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

5. Budgetary revenues and expenditures of the citizens police academy, 911 emergency service and community development funds are classified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and major special revenue fund.

Net Change in Fund Balance

	General	Street Maintenance, Construction and Repairs
GAAP Basis	$553,552	$82,082
Net Adjustment for Revenue Accruals	104,856	58,859
Ending Value Unrecorded Cash	(2,072)	0
Net Adjustment for Expenditure Accruals	54,470	(137,665)
Perspective Difference	5,634	0
Encumbrances	(52,137)	(52,890)
Budget Basis	$664,303	($49,614)

Note 7 – Interfund Transactions

Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfers To	Transfers From General
Major Governmental Funds:	
Street Maintenance, Construction and Repairs	$396,000
Other Governmental Funds	251,431
Wastewater	23,335
Totals	$670,766

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations; to segregate money for anticipated capital projects and to make debt payments. The general fund made transfers to the street maintenance, construction and repairs, other governmental funds and the wastewater treatment enterprise fund to support programs until resources became available and to make debt payments.

Interfund Balances

As of December 31, 2023, the City had an interfund receivable and payable between the general fund and other governmental funds in the amount of $54,576. The interfund balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records, and (3) payments between funds are made. All are expected to be paid within one year.

Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension/OPEB liability(asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Balances related to the internal proportionate share for pension and OPEB at December 31, 2023, were as follows:

	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Business-Type Activities:				
Wastewater Treatment	$4,260	$710	$42	$0
Water	710	4,260	0	42
Total Enterprise Funds/Business-Type Activities	4,970	4,970	42	42
Elimination from Proprietary Fund Statements	(4,970)	(4,970)	(42)	(42)
Total	$0	$0	$0	$0

Note 8 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, 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 located within the State of Ohio. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest 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.

Investments

At December 31, 2023, the City had $315,444 invested in STAR Ohio measured at net asset value per share with an average maturity of 46.4 days.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The Star Ohio investment carried a rating of AAAm by Standards & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The City has no investment policy that addresses credit risk.

Note 9 - Receivables

Receivables at December 31, 2023, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, leases, and accounts (billings for user charged services, including unbilled utility services and Opioid settlement monies).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivable except property taxes, special assessments and leases receivable are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to $226,704 in the street lighting special revenue fund, $24,688 in the wastewater treatment enterprise fund and $4,969 in the water enterprise fund. At December 31, 2023, the amount of delinquent special assessments was $158,209.

Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported $60,645 as an accounts receivable related to opioid settlement monies in the OneOhio special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023 on the assessed value as of January 1, 2023 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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 personal property currently 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 which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2023, was $8.70 per $1,000 of assessed value. The assessed values of real property and public utility property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	$75,864,120
Other Real Estate	26,618,380
Public Utility Property	3,560,070
Total Assessed Values	$106,042,570

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies municipal income tax of 1.5 percent on all salaries, wages, commissions and other compensation, and net profits earned within the City, as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 1 percent of the tax paid to another municipality.

Employers within the City are required to withhold municipal 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. Municipal income tax collections are received by the general fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Auto License Tax	$169,470
Local Government	116,209
Money Loaned to CIC For Property	44,558
Homestead and Rollback	43,197
Auto License Tax	19,997
2021 Chip Admin & Fair Housing	18,500
School Resource Officer	12,234
Training Grant	8,542
Ohio Bureau of Workers' Compensation	6,922
Western County Court	2,092
Safety Grant	1,000
Total Governmental Activities	$442,721
Business-type Activities	
Harpersfield Township	$306,929
Geneva Area City School District	1,861
Ohio Bureau of Workers' Compensation	1,469
Total Business-type Activities	$310,259

Leases Receivables

The City is reporting leases receivable of $229,031 in the general fund at December 31, 2023. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2023, the City recognized lease revenue of $88,416 and interest revenue of $5,360 in the general fund related to lease payments received. These lease revenue amounts exclude short-term leases. A description of the City's leasing arrangements is as follows:

The City has entered into various lease agreements for certain real estate property with Ashtabula County, Geneva Area Grape Jamboree and Geneva Midget League Football Association for building space and Memorial Field Park at varying years and terms. A summary of future lease amounts receivable is as follows:

	General	
	Principal	Interest
2024	$68,806	$2,894
2025	91,888	2,313
2026	68,337	564
Total	$229,031	$5,771

Note 10 – Tax Abatements

As of December 31, 2023, the City provides tax incentives under The Community Reinvestment Area (CRA).

Pursuant to Ohio Revised Code Chapter 3735, the City established a Community Reinvestment Area, which included all land within the boundaries of the City. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvement have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill.

The establishment of the CRA gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements. During 2023, the City had one agreement under the CRA outstanding with total abated property taxes of $7,793.

Note 11 - Contingencies

Grants

The City receives financial assistance from 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 is 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 adverse effect on the overall financial position of the City at December 31, 2023.

Litigation

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

Note 12 – Employee Benefits

Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. All full-time employees may carry over 40 vacation hours for use during the first six months of the following year. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employees have acquired at least one year of service to the City.

Sick leave is earned at the rate of 10 to 14 hours for each month worked. The total amount of accumulated sick leave shall not exceed 960 hours to 1,344 hours, depending upon the employment contract. Each employee upon retirement, with a minimum of 15 years of employment, is paid at a rate of one-half (1/2) of the employee's earned unused sick leave balances up to a maximum of one-half (1/2) of 960 hours.

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 456 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Note 13 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the City contracted the Public Entities Pool of Ohio (PEP) for the various types of insurance as follows:

Type of Coverage	Coverage Amounts
Bodily Injury and Property	$3,000,000
Law Enforcement	3,000,000
Public Officials	3,000,000
Employee Benefit	1,000,000
Stop Gap	3,000,000
Medical Payments	5,000
Automobile	3,000,000
Uninsured/Underinsured Motorist	100,000

Claims have not exceeded this coverage in any of the past three years and there has been no significant reduction in commercial coverage in any of the past three years.

Insurance

The City continues to carry health insurance through Medical Mutual of Ohio. There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

Workers' Compensation

Workers' compensation coverage is provided by the State. The Board pays State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 14 - Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023
Governmental Activities				
Nondepreciable Capital Assets				
Land	$884,215	$0	$0	$884,215
Construction in Progress	136,731	381,802	(139,392)	379,141
Historical Treasures	46,378	0	0	46,378
Total Nondepreciable Capital Assets	1,067,324	381,802	(139,392)	1,309,734
Depreciable Capital Assets				
Tangible Assets				
Buildings and Improvements	5,682,974	0	(10,920)	5,672,054
Machinery and Equipment	2,003,563	0	(115,108)	1,888,455
Vehicles	3,430,218	0	(57,615)	3,372,603
Infrastructure	27,660,753	245,766	(280,100)	27,626,419
Total Tangible Assets	38,777,508	245,766	(463,743)	38,559,531
Intangible Assets				
Subscription Assets				
Intangible Right to Use - Software	43,097	30,930	0	74,027
Total Depreciable Capital Assets	38,820,605	276,696	(463,743)	38,633,558
Less Accumulated Depreciation/Amortization				
Depreciation				
Buildings and Improvements	(3,170,111)	(139,287)	10,920	(3,298,478)
Machinery and Equipment	(1,643,006)	(89,782)	114,200	(1,618,588)
Vehicles	(1,813,044)	(208,408)	57,615	(1,963,837)
Infrastructure	(17,017,310)	(616,709)	280,100	(17,353,919)
Total Depreciation	(23,643,471)	(1,054,186)	462,835	(24,234,822)
Amortization				
Intangible Assets				
Subscription Assets				
Intangible Right to Use - Software	0	(23,519)	0	(23,519)
Total Accumulated Depreciation/Amortization	(23,643,471)	(1,077,705)	462,835	(24,258,341)
Total Depreciable Capital Assets, Net	15,177,134	(801,009)	(908)	14,375,217
Governmental Activities Capital Assets, Net	$16,244,458	($419,207)	($140,300)	$15,684,951

Depreciation/amortization expense was charged to governmental functions as follows:

	Depreciation	Amortization	Total
General Government	$106,857	$18,686	$125,543
Security of Persons and Property	211,613	4,833	216,446
Leisure Time Activities	46,139	0	46,139
Transportation	689,577	0	689,577
Total	$1,054,186	$23,519	$1,077,705

Capital asset activity for business-type activities for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023
Business-Type Activities				
Nondepreciable Capital Assets				
Construction in Progress	$6,154,352	$40,003	($5,620,028)	$574,327
Easements	45,431	0	0	45,431
Total Nondepreciable Capital Assets	6,199,783	40,003	(5,620,028)	619,758
Depreciable Capital Assets				
Tangible Assets				
Buildings and Improvements	4,667,766	2,926,667	0	7,594,433
Machinery and Equipment	1,681,675	2,106,383	(52,449)	3,735,609
Vehicles	477,073	0	0	477,073
Infrastructure	20,197,320	687,129	0	20,884,449
Total Tangible Assets	27,023,834	5,720,179	(52,449)	32,691,564
Intangible Right to Use Lease Assets				
Intangible Right to Use - Equipment	0	8,000	0	8,000
Total Depreciable Capital Assets	27,023,834	5,728,179	(52,449)	32,699,564
Less Accumulated Depreciation/Amortization				
Depreciation				
Buildings and Improvements	(3,230,423)	(93,509)	0	(3,323,932)
Machinery and Equipment	(1,086,403)	(115,643)	45,375	(1,156,671)
Vehicles	(458,919)	(11,933)	0	(470,852)
Infrastructure	(6,202,298)	(439,913)	0	(6,642,211)
Total Depreciation	(10,978,043)	(660,998)	45,375	(11,593,666)
Amortization				
Intangible Right to Use Lease Assets				
Intangible Right to Use - Equipment	0	(533)	0	(533)
Total Accumulated Depreciation/Amortization	(10,978,043)	(661,531)	45,375	(11,594,199)
Total Depreciable Capital Assets, Net	16,045,791	5,066,648	(7,074)	21,105,365
Business-type Activities Capital Assets, Net	$22,245,574	$5,106,651	($5,627,102)	$21,725,123

Depreciation/amortization expense was charged to business-type activities as follows:

	Depreciation	Amortization	Total
Wastewater Treatment	$382,607	$533	$383,140
Water	278,391	0	278,391
Total	$660,998	$533	$661,531

Note 15 - Long-Term Obligations

The original issue date, interest rate and original issuance amount for each of the City's debt issues follows:

Debt Issue	Interest Rate	Original Issue Amount	Year of Maturity
Governmental Activities:			
Bond Anticipation Notes from Direct Placement:			
Rosenbauer Fire Engine	2.60%	$850,000	2025
General Obligation Bonds:			
2018 Refunded various purpose	3.16	815,000	2029
2018 Various purpose	3.16	160,000	2028
2018 Fire truck acquisition	2.75	461,965	2028
OPWC Loans from Direct Borrowings:			
Ansel Road Improvements	0.00	189,160	2032
Sherman/Chestnut Pavement Repairs	0.00	572,345	2035
Grant Bridge Replacement	0.00	102,414	2035
North Avenue Bridge Replacement	0.00	71,833	2038
East Main Street Improvements - South Side	0.00	33,999	2039
East Main Street Improvements	0.00	50,000	2035
Financed Purchases from Direct Placement:			
Key Gov't Finance - 2021 CAT Loader	2.61	149,641	2025
Huntington - Energy Project	4.99	319,089	2033
Business - Type Activities:			
From Direct Borrowings:			
OWDA Loans:			
Water System Purchase	4.56	6,735,100	2030
Harpersfield Booster Station	2.01	253,000	2032
Advanced Metering	1.68	251,093	2032
Elm Street Improvements	1.60	510,074	2038
North Broadway Waterline	1.35	408,730	2038
State Route 534 Sanitary Sewer - JEDD III	1.00	1,613,905	2038
Elm Street Sub-basin Sewer Rehab	1.00	229,206	2031
Wastewater Treatment Laboratory Building	1.00	327,230	2031
Wastewater Treatment Screening and Grit Improvements	1.00	6,029,794	2041
Secondary Sledge Holding Tank	1.00	953,345	2040
Geneva-on-the-Lake Sanitary Sewer Outfall	4.49	255,528	2026
OPWC Loans:			
West Liberty Sanitary Sewer	0.00	51,658	2032
Ansel Road Improvements	0.00	250,747	2032
Van Epps Street Repairs	0.00	49,376	2025
Water Meter Replacement Project	0.00	339,698	2032
State Route 534 Sanitary Sewer - JEDD III	0.00	150,000	2039
State Route 84 Waterline	0.00	56,100	2043
South Nearing Circle/Beach Street Water Main Replacement	0.00	73,657	2043
Financed Purchases from Direct Placement:			
Huntington - Energy Project	4.99	40,911	2033

A schedule of changes in bonds and other long-term obligations of the City during 2023 follows:

	Principal Outstanding 12/31/2022	Additions	Deletions	Principal Outstanding 12/31/2023	Amounts Due in One Year
Governmental activities					
Bond Anticipation Notes from Direct Placement:					
Rosenbauer Fire Engine	$766,565	$0	($50,173)	$716,392	$51,587
General Obligation Bonds:					
2018 Refunded various purpose	535,000	0	(75,000)	460,000	75,000
2018 Various purpose	105,000	0	(15,000)	90,000	15,000
2018 Fire truck acquisition	254,082	0	(69,295)	184,787	46,196
Total General Obligation Bonds	894,082	0	(159,295)	734,787	136,196
OPWC Loans from Direct Borrowings:					
Ansel Road Improvements	85,009	0	(9,446)	75,563	9,446
Sherman/Chestnut Pavement Repairs	329,098	0	(28,618)	300,480	28,617
Grant Bridge Replacement	61,449	0	(5,120)	56,329	5,120
North Avenue Bridge Replacement	53,875	0	(3,592)	50,283	3,592
East Main Street Improvements - South Side	28,332	0	(2,266)	26,066	2,266
East Main Street Improvements	40,000	0	(2,500)	37,500	2,500
Total OPWC Loans	597,763	0	(51,542)	546,221	51,541
Other Long-Term Obligations:					
Financed Purchase from Direct Placement	413,983	0	(30,013)	383,970	40,927
Subscriptions Payable	23,666	30,930	(27,622)	26,974	6,485
Compensated Absences	213,291	161,656	(152,121)	222,826	97,822
Total Other Long-Term Obligations	650,940	192,586	(209,756)	633,770	145,234
Net Pension Liability					
OPERS	640,206	1,394,529	0	2,034,735	0
OP&F	2,717,041	1,057,350	0	3,774,391	0
Total Net Pension Liability	3,357,247	2,451,879	0	5,809,126	0
Net OPEB Liability					
OPERS	0	44,480	0	44,480	0
OP&F	476,693	0	(193,797)	282,896	0
Total Net OPEB Liability	476,693	44,480	(193,797)	327,376	0
Total Governmental Long-Term Liabilities	$6,743,290	$2,688,945	($664,563)	$8,767,672	$384,558

	Principal Outstanding 12/31/2022	Additions	Deletions	Principal Outstanding 12/31/2023	Amounts Due in One Year
Business-Type Activities					
Loans from Direct Borrowings					
OWDA Loans:					
Water System Purchase	$2,712,380	$0	($337,089)	$2,375,291	$352,635
Harpersfield Booster Station	152,644	0	(16,674)	135,970	16,973
Advanced Metering	159,872	0	(16,598)	143,274	16,879
Elm Street Improvements	386,160	0	(23,863)	362,297	24,246
North Broadway Waterline	311,291	0	(19,574)	291,717	19,839
State Route 534 Sanitary Sewer - JEDD III	1,241,513	0	(77,114)	1,164,399	77,887
Elm Street Sub-basin Sewer Rehab	91,351	0	(11,789)	79,562	11,907
Wastewater Treatment Laboratory Building	130,419	0	(16,830)	113,589	16,999
Wastewater Treatment Screening and Grit Improvements	5,201,822	52,079	(277,906)	4,975,995	0
Secondary Sludge Holding Tank	824,849	0	(44,746)	780,103	45,194
US Route 20 Sewer Replacement	92,916	0	(92,916)	0	0
Geneva-on-the-Lake Sanitary Sewer Outfall	21,756	0	(6,932)	14,824	7,247
Total OWDA Loans	11,326,973	52,079	(942,031)	10,437,021	589,806
OPWC Loans:					
West Liberty Sanitary Sewer	20,664	0	(2,583)	18,081	2,583
Ansel Road Improvements	112,950	0	(12,550)	100,400	12,550
Van Epps Street Repairs	9,874	0	(4,937)	4,937	4,937
Water Meter Replacement Project	203,821	0	(22,648)	181,173	22,647
State Route 534 Sanitary Sewer - JEDD III	116,250	0	(7,500)	108,750	7,500
State Route 84 Waterline	56,100	0	(2,805)	53,295	2,805
South Nearing Circle/Beach Street Water Main Replacement	73,657	0	(3,683)	69,974	3,683
Total OPWC Loans	593,316	0	(56,706)	536,610	56,705
Other Long-Term Obligations:					
Financed Purchases from Direct Placement	42,622	0	(1,711)	40,911	1,195
Leases Payable	0	8,000	(524)	7,476	1,351
Compensated Absences	67,803	34,990	(45,090)	57,703	27,461
Net Pension Liability - OPERS	335,717	720,911	0	1,056,628	0
Net OPEB Liability - OPERS	0	23,098	0	23,098	0
Total Other-Term Obligations	446,142	786,999	(47,325)	1,185,816	30,007
Total Business-Type Long Term Obligations	$12,366,431	$839,078	($1,046,062)	$12,159,447	$676,518

Bond anticipation notes will be paid from the vehicle and major equipment capital projects fund. General obligation bonds are direct obligations of the City and will be paid from the bond retirement debt service fund using income tax revenues. The OWDA loans will be paid partly with special assessments levied against benefited property owners as well as user charges from the appropriate enterprise fund. The OPWC loans in the enterprise funds will be paid with user charges. The OPWC loans will be paid from the street construction, maintenance and repair special revenue fund and infrastructure capital projects fund and the wastewater treatment and water enterprise funds. Compensated absences will be paid from the general fund, street construction, maintenance and repair and policy levy special revenue funds and the water and sewer enterprise funds. Financed purchases will be paid from infrastructure capital projects fund, general fund and wastewater enterprise funds. The leases payable will be paid from the wastewater treatment enterprise fund. The subscriptions payable will be paid from the general fund.

There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension/OPEB contributions are made from the following funds: general, street construction, maintenance and repair, cemetery, police levy II, recreation, police pension and fire pension special revenue funds and the sewer and water enterprise funds. For additional information related to the net pension liability and net OPEB liability see Notes 17 and 18.

In 2018, the City issued fire truck acquisition bonds in the amount of $461,965, at the interest rate of 2.75 percent. The bonds were issued for an eleven-year period with final maturity on January 1, 2028.

In 2018, the City issued $160,000 in various purpose improvement bonds for the purpose of purchasing City vehicles. The bonds were issued at a rate of 3.16 percent for a ten year period with final maturity on August 1, 2028.

In 2018, the City issued various purpose refunding bonds, in the amount of $815,000 to refund the 2009 various purpose general obligation bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of December 31, 2023, the bonds have been fully defeased.

In 2020, the City issued $850,000 in bond anticipation notes through direct placement for the purpose of purchasing a fire truck. The notes were issued at an interest rate of 2.60 percent and issued for a four year period with final maturity on July 1, 2025.

The City's outstanding OWDA loans from direct borrowings of $10,437,021 related to business-type activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during with the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The City's outstanding OPWC loans from direct borrowings of $546,221 related to governmental activities and $536,610 related to business-type activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City has entered into contractual agreements for construction loans from the Ohio Water Development Authority (OWDA). Under the terms of these agreements, the OWDA will reimburse, advance or directly pay the construction costs of approved projects. The OWDA will capitalize administrative costs and construction interest and then add them to the total amount of the final loan.

Lines of credit have been established with the Ohio Water Development Authority in the amount of $6,029,794 for screening and grit improvements in the wastewater treatment fund. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of this loan at December 31, 2023 was $4,975,995.

In prior years, the City entered into finance purchase agreements through direct placements for equipment and energy improvements. The financed purchases will be paid from the general fund, infrastructure capital projects fund and wastewater enterprise fund.

The City's overall legal debt margin was $10,400,683 at December 31, 2023. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2023, are as follows:

Governmental Activities

	Governmental Activities						
	Direct Placement						Direct Borrowing
	Notes Payable		Financed Purchase		General Obligation Bonds		OPWC Loans
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2024	$51,587	$18,293	$40,927	$19,609	$136,196	$22,144	$51,541
2025	664,805	8,642	60,464	18,293	141,197	18,030	51,542
2026	0	0	30,339	8,642	141,196	13,757	51,542
2027	0	0	30,936	0	141,198	9,485	51,542
2028	0	0	32,499	0	100,000	5,530	51,542
2029-2033	0	0	188,805	0	75,000	2,370	238,822
2034-2038	0	0	0	0	0	0	49,690
	$716,392	$26,935	$383,970	$46,544	$734,787	$71,316	$546,221

Business-type Activities

	Business-Type Activities				
	From Direct Borrowing				
	OWDA Loans		OPWC Loans	Financed Purchase	
Year	Principal	Interest	Principal	Principal	Interest
2024	$589,806	$127,643	$56,705	$1,195	$4,174
2025	609,210	110,250	51,767	3,592	1,938
2026	621,492	92,232	51,767	3,776	1,756
2027	642,172	73,736	51,767	3,967	1,565
2028	663,714	54,482	51,767	4,167	1,365
2029-2033	1,495,652	91,683	180,698	24,214	3,445
2034-2038	786,494	23,061	66,189	0	0
2039-2043	52,486	394	25,950	0	0
	$5,461,026	$573,481	$536,610	$40,911	$14,243

In 2023, the City entered into a lease agreement for copiers. The City also has outstanding contracts to use of a SBITA vendor's IT software, including financial systems and various other software. The future lease and subscription payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease and subscription. The lease will be paid from the wastewater treatment enterprise fund and the subscriptions will be paid from the general fund.

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

	Business-type Activities		Governmental Activities	
	Leases		Subscriptions	
Year	Principal	Interest	Principal	Interest
2024	$1,351	$694	$6,485	$704
2025	1,494	551	6,655	535
2026	1,652	393	6,828	361
2027	1,826	218	7,006	183
2028	1,153	40	0	0
	$7,476	$1,896	$26,974	$1,783

Note 16 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds		**Proprietary Funds**	
General	$52,137	Wastewater	$46,710
Street Construction, Maintenance and Repair	52,890	Water	19,868
Other Governmental Funds	196,585		
Total Governmental Funds	$301,612	Total Proprietary Funds	$66,578

Note 17 - Defined Benefit Pension Plans

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

Net Pension Liability(Asset)/Net OPEB Liability

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

The net pension/OPEB liability(asset) 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) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

The proportionate share of each plan's unfunded benefits is presented as a net pension asset or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable.* The remainder of this note includes the required pension disclosures. See Note 18 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	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 within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was $229,337 for the traditional plan, $17,123 for the combined plan and $2,854 for the member-directed plan. Of these amounts, $25,767 is reported as an intergovernmental payable for the traditional plan, $1,769 for the combined plan, and $295 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that 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.

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, 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 3.0 percent of the member's base pension benefit.

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

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

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

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $234,514 for 2023. Of this amount, $27,101 is reported as an intergovernmental payable.

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

The net pension liability(asset) for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability(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(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 of the City's defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.0104650%	0.0321280%	0.0397345%	
Prior Measurement Date	0.0112170%	0.0288200%	0.0434906%	
Change in Proportionate Share	-0.0007520%	0.0033080%	-0.0037561%	
Proportionate Share of the:				
Net Pension Liability	$3,091,363	$0	$3,774,391	$6,865,754
Net Pension Asset	0	(75,725)	0	(75,725)
Pension Expense	352,304	9,645	460,549	822,498

2023 pension expense for the member-directed defined contribution plan was $2,854. The aggregate pension expense for all pension plans was $822,498 for 2023.

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$102,682	$4,655	$56,614	$163,951
Changes of assumptions	32,658	5,013	340,437	378,108
Net difference between projected and actual earnings on pension plan investments	881,136	27,596	549,505	1,458,237
Changes in proportion and differences between City contributions and proportionate share of contributions	0	301	196,686	196,987
City contributions subsequent to the measurement date	229,337	17,123	234,514	480,974
Total Deferred Outflows of Resources	$1,245,813	$54,688	$1,377,756	$2,678,257

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Inflows of Resources				
Differences between expected and actual experience	$0	$10,820	$85,992	$96,812
Changes of assumptions	0	0	73,600	73,600
Changes in proportion and differences between City contributions and proportionate share of contributions	85,437	10,867	243,801	340,105
Total Deferred Inflows of Resources	$85,437	$21,687	$403,393	$510,517

$480,974 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2024	$59,837	($392)	$87,040	$146,485
2025	180,201	3,568	206,625	390,394
2026	259,362	5,531	209,651	474,544
2027	431,639	10,393	280,573	722,605
2028	0	(1,563)	(44,040)	(45,603)
Thereafter	0	(1,659)	0	(1,659)
Total	$931,039	$15,878	$739,849	$1,686,766

Actuarial Assumptions – OPERS

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

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized as follows:

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 for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability(Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability(asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability(asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$4,630,763	$3,091,363	$1,810,864
OPERS Combined Plan	(39,517)	(75,725)	(104,416)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, are presented as follows:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost-of-Living Adjustments	2.2 percent simple per year

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

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

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

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

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

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

For 2021, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

The most recent experience study was completed for the five-year period ended December 31, 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 as follows:

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

Note: Assumptions are geometric.
* levered 2.5x

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

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$4,979,152	$3,774,391	$2,882,876

Note 18 – Defined Benefit OPEB Plans

See Note 17 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 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.

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 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 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 percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution was $2,854 for 2023. Of this amount, $295 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was $5,795 for 2023. Of this amount, $668 is reported as an intergovernmental payable.

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

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

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.0107180%	0.0397345%	
Prior Measurement Date	0.0113740%	0.0434906%	
Change in Proportionate Share	-0.0006560%	-0.0037561%	
Proportionate Share of the:			
Net OPEB Liability	$67,578	$282,896	$350,474
OPEB Expense	(139,016)	7,133	(131,883)

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	$0	$16,881	$16,881
Changes of assumptions	66,006	140,980	206,986
Net difference between projected and actual earnings on OPEB plan investments	134,214	24,264	158,478
Changes in proportion and differences between City contributions and proportionate share of contributions	0	38,640	38,640
City contributions subsequent to the measurement date	2,854	5,795	8,649
Total Deferred Outflows of Resources	$203,074	$226,560	$429,634
Deferred Inflows of Resources			
Differences between expected and actual experience	$16,857	$55,782	$72,639
Changes of assumptions	5,431	231,388	236,819
Changes in proportion and differences between City contributions and proportionate share of contributions	1,808	78,544	80,352
Total Deferred Inflows of Resources	$24,096	$365,714	$389,810

$8,649 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2024	$20,512	($20,277)	$235
2025	48,924	(18,991)	29,933
2026	41,852	(13,134)	28,718
2027	64,836	(5,767)	59,069
2028	0	(22,869)	(22,869)
Thereafter	0	(63,911)	(63,911)
Total	$176,124	($144,949)	$31,175

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

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

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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 Trust	7.00	3.27
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	100.00%	

Discount A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	$230,008	$67,578	($66,452)

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 liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	$63,343	$67,578	$72,347

Actuarial Assumptions – OP&F

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

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended Discount Rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost-of-Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

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

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

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

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

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

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

For 2021, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 17.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	$348,362	$282,896	$227,629

Note 19 – Public Entity Risk Pool

Property and Liability

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (YORK), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by YORK. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2023, the Pool retained $500,000 for casualty claims and $250,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

Financial Position

PEP's financial statements (for which an independent audit is still ongoing) conform to generally accepted accounting principles, and preliminarily show the following assets, liabilities and net position at December 31, 2023:

Casualty and Property Coverage	2023
Assets	$43,996,442
Liabilities	19,743,401
Net Position - Unrestricted	$24,253,041

At December 31, 2023, the liabilities above include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position above include approximately $17.7 million of unpaid claims to be billed to approximately 616 member governments in the future, as of December 31, 2023. These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes subsequent year's contributions due if the City terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly form those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

After completing one year of membership, members may withdraw on each anniversary date of the date they joined PEP, provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal. This was the second year the City was a member of the PEP. The contribution for 2023 was $87,292.

Note 20 – Jointly Governed Organization

Ashtabula County General Health District

The Ashtabula County General Health District (District), a jointly governed organization, provides health services to the citizens with the county. The Board of Health which consists of a representative from each of the participating governments oversee the operation of the District. Twenty-seven townships, seven villages, and the City of Geneva participate in the District. The Board of Health has total control over budgeting, personnel and all other financial matters. The degree of control exercised by any participating government is limited to its representation on the Board. The City contributed $51,576 during 2023 for the operation of the District. Financial information can be obtained by contacting the District at 12 W. Jefferson Street, Jefferson, OH 44047-1096.

Geneva Union Cemetery District

The Geneva Union Cemetery District (the "Cemetery"), a jointly governed organization, is a political subdivision governed by a Board of Trustees, which possesses its own contracting and budgeting authority. The degree of control exercised by any participating government is limited to its representation on the Board. The Board of Trustees consists of a representative from each of the participating governments: The City of Geneva, the Village of Geneva-on-the-lake, and Geneva Township. The members serve staggered three-year terms. In 2023, 0.30 mills of the tax valuation was paid to the Cemetery. Financial information can be obtained by contacting the Cemetery at PO Box 474, Geneva, OH 44041.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC), a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of 240 communities who have been authorized by ballot to purchase electricity on behalf of their citizens.

The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board has total control over budgeting, personnel and all other financial matters. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Geneva did not contribute to NOPEC during 2023. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

Note 21 – Joint Economic Development Districts

JEDD-I, JEDD-II, and JEDD-III

The City of Geneva and Harpersfield Township (Township) have formed three Joint Economic Development Districts (JEDD) (JEDD-I, JEDD-II and JEDD-III) which were formed under Chapter 715.72 through 715.83 of the Ohio Revised Code. JEDD-I was formed in 1996, JEDD-II was formed in 2005, and JEDD-III was formed in 2014 to provide sanitary sewers to each JEDD District. The purpose of each JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the County, the Township, the City and the JEDD's served. The JEDD's are administered by a Board of locally appointed officials and local business leaders.

The City acts as the fiscal agent for the JEDD-I, JEDD-II, and JEDD-III District. In 2023 JEDD-I distributed $61,204 to the City, $22,256 to the Township, $5,564 to the JEDD Board and $22,256 to the Geneva-area Recreation, Education and Athletic Trust (GaREAT). JEDD-II distributed $166,728 to the City, $44,461 to the Township and $11,115 to the JEDD Board. JEDD-III distributed $20,516 to the City, $17,329 to the Township, and $1,992 to the JEDD Board.

Note 22 – COVID-19

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

Note 23 – Asset Retirement Obligations

The Governmental Accounting Standards Board's (GASB) Statement No. 83, *Certain Asset Retirement* Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewer system to the Ohio Environmental Protection Agency (the "Ohio EPA") for approval. Any changes to the sewer system would be approved through a permit for a new plan that would take the place of the retired asset and would include a place for the proper abandonment of their wastewater treatment facilities and sanitary sewer pump stations. Through -this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities and sanitary sewer pump stations. At this time, the City is unable to reasonably estimate the liability to abandon the wastewater treatment facilities and sanitary sewer pump stations without the required permit from the Ohio EPA.

Required Supplementary Information

City of Geneva, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System - Traditional Plan

*Last Ten Years **

	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.0104650%	0.0112170%	0.0114050%	0.0120210%
City's Proportionate Share of the Net Pension Liability	$3,091,363	$975,923	$1,688,832	$2,376,033
City's Covered Payroll	$1,629,071	$1,658,491	$1,604,921	$1,691,636
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	189.76%	58.84%	105.23%	140.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

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

See accompanying notes to required supplementary information

2019	2018	2017	2016	2015	2014
0.0130770%	0.0134620%	0.0140790%	0.0123160%	0.0124940%	0.0124940%
$3,581,524	$2,112,681	$3,197,856	$2,134,042	$1,506,916	$1,472,880
$1,708,644	$1,777,890	$1,832,052	$1,541,030	$1,491,358	$1,510,626
209.61%	118.83%	174.55%	138.48%	101.04%	97.50%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

City of Geneva, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Asset

Ohio Public Employees Retirement System - Combined Plan

Last Ten Years

	2023	2022	2021	2020
City's Proportion of the Net Pension Asset	0.0321280%	0.0288200%	0.0283310%	0.0267990%
City's Proportionate Share of the Net Pension Asset	$75,725	$113,552	$81,781	$55,882
City's Covered Payroll	$130,936	$126,193	$122,114	$127,329
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	57.83%	89.98%	66.97%	43.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%

* Amounts presented for each 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
0.0331860%	0.0360480%	0.0162040%	0.0129600%	0.0124240%	0.0124240%
$37,114	$49,071	$9,018	$6,307	$4,784	$1,304
$130,006	$147,559	$63,539	$46,942	$42,058	$47,514
28.55%	33.26%	14.19%	13.44%	11.37%	2.74%
126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

City of Geneva, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net OPEB Liability/(Asset)

Ohio Public Employees Retirement System - OPEB Plan

*Last Seven Years (1)**

	2023	2022	2021	2020
City's Proportion of the Net OPEB Liability	0.0107180%	0.0113740%	0.0115350%	0.0120400%
City's Proportionate Share of the Net OPEB Liability/(Asset)	$67,578	($356,251)	($205,505)	$1,663,037
City's Covered Payroll	$1,790,186	$1,802,707	$1,744,479	$1,898,443
City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	3.77%	-19.76%	-11.78%	87.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

2019	2018	2017
0.0132050%	0.0013720%	0.0138410%
$1,721,621	$1,489,892	$1,398,035
$1,857,221	$1,941,564	$1,925,436
92.70%	76.74%	72.61%
46.33%	54.14%	54.04%

City of Geneva, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Ohio Police and Fire Pension Fund

*Last Nine Years (1)**

	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.0397345%	0.0434906%	0.0416300%	0.0382260%
City's Proportionate Share of the Net Pension Liability	$3,774,391	$2,717,041	$2,837,934	$2,575,074
City's Covered Payroll	$1,144,203	$1,183,057	$1,073,320	$965,603
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	329.87%	229.66%	264.41%	266.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

2019	2018	2017	2016	2015	2014
0.0396850%	0.0425690%	0.0416670%	0.0431110%	0.0427400%	0.0427400%
$3,239,345	$2,705,546	$2,732,040	$2,773,363	$2,214,085	$2,081,548
$881,710	$987,297	$979,629	$903,727	$887,302	$870,550
367.39%	274.04%	278.89%	306.88%	249.53%	239.11%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

City of Geneva, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund - OPEB Plan
*Last Seven Years (1)**

	2023	2022	2021	2020
City's Proportion of the Net OPEB Liability	0.0397345%	0.0434906%	0.0416300%	0.0382260%
City's Proportionate Share of the Net OPEB Liability	$282,896	$476,693	$441,074	$377,580
City's Covered Payroll	$1,144,203	$1,183,057	$1,073,320	$965,603
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	24.72%	40.29%	41.09%	39.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.86%	45.42%	47.08%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

2019	2018	2017
0.0396850%	0.0425690%	0.0416670%
$361,393	$2,411,899	$1,977,839
$881,710	$987,291	$979,629
40.99%	244.29%	201.90%
46.57%	14.13%	15.96%

City of Geneva, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System
Last Ten Years (1)

	2023	2022	2021	2020
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	$229,337	$228,070	$232,189	$224,689
Contributions in Relation to the Contractually Required Contribution	(229,337)	(228,070)	(232,189)	(224,689)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll	$1,638,121	$1,629,069	$1,658,491	$1,604,921
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Asset - Combined Plan				
Contractually Required Contribution	$17,123	$18,331	$17,667	$17,096
Contributions in Relation to the Contractually Required Contribution	(17,123)	(18,331)	(17,667)	(17,096)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll	$142,692	$143,214	$126,193	$122,114
Contributions as a Percentage of Covered Payroll	12.00%	12.80%	14.00%	14.00%
Net OPEB Liability - OPERS Plan (1)				
Contractually Required Contribution	$2,854	$2,435	$721	$698
Contributions in Relation to the Contractually Required Contribution	(2,854)	(2,435)	(721)	(698)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll (2)	$1,780,813	$1,790,186	$1,802,707	$1,744,479
Contributions as a Percentage of Covered Payroll	0.16%	0.14%	0.04%	0.04%

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(2) The OPEB plan includes the members from the traditional plan and the member directed plan. The member directed pension is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$236,829	$239,210	$231,126	$219,846	$184,924	$178,963
(236,829)	(239,210)	(231,126)	(219,846)	(184,924)	(178,963)
$0	$0	$0	$0	$0	$0
$1,691,636	$1,708,644	$1,777,890	$1,832,052	$1,541,030	$1,491,358
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
$17,826	$18,201	$19,183	$7,625	$5,633	$5,047
(17,826)	(18,201)	(19,183)	(7,625)	(5,633)	(5,047)
$0	$0	$0	$0	$0	$0
$127,329	$130,006	$147,559	$63,539	$46,942	$42,058
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
$364	$283	$19,416	$38,509		
(364)	(283)	(19,416)	(38,509)		
$0	$0	$0	$0		
$1,898,443	$1,857,221	$1,941,564	$1,925,436		
0.02%	0.02%	1.00%	2.00%		

City of Geneva, Ohio

Required Supplementary Information

Schedule of City Contributions

Ohio Police and Fire Pension Fund

Last Ten Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$234,514	$231,243	$237,238	$217,149
Contributions in Relation to the Contractually Required Contribution	(234,514)	(231,243)	(237,238)	(217,149)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll (1)	$1,158,895	$1,144,203	$1,183,057	$1,073,320
Pension Contributions as a Percentage of Covered Payroll:	20.24%	20.21%	20.05%	20.23%
Net OPEB Liability				
Contractually Required Contribution	$5,795	$5,721	$5,915	$5,367
Contributions in Relation to the Contractually Required Contribution	(5,795)	(5,721)	(5,915)	(5,367)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll:	0.50%	0.50%	0.50%	0.50%
Total Contributions as a Percentage of Covered Payroll:	20.74%	20.71%	20.55%	20.73%

(1) The City's covered payroll is the same for the pension and OPEB.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$196,383	$179,472	$200,180	$198,919	$183,594	$180,616
(196,383)	(179,472)	(200,180)	(198,919)	(183,594)	(180,616)
$0	$0	$0	$0	$0	$0
$965,603	$881,710	$987,297	$979,629	$903,727	$887,302
20.34%	20.35%	20.28%	20.31%	20.32%	20.36%
$4,828	$4,409	$4,936	$4,898	$4,519	$4,437
(4,828)	(4,409)	(4,936)	(4,898)	(4,519)	(4,437)
$0	$0	$0	$0	$0	$0
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
20.84%	20.85%	20.78%	20.81%	20.82%	20.86%

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions – OP&F Pension

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

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Beginning in 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and forward.

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, 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.

Prior to 2023, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Prior to 2023, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and 2023.

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, 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 2021.

Changes in Benefit Terms – OP&F OPEB

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

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Geneva
Ashtabula County
44 North Forest Street
Geneva, Ohio 44041

To the City Council and City Manager:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva, Ashtabula County, (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 6, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

November 6, 2024

CITY OF GENEVA

DEPARTMENT OF FINANCE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Internal Control Over Tracking Capital Assets	Fully Corrected	Not Applicable
2022-002	Negative Cash Balance	Fully Corrected	Not Applicable

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OHIO AUDITOR OF STATE
KEITH FABER

CITY OF GENEVA

ASHTABULA 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 11/26/2024

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