



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF CELINA
MERCER COUNTY
DECEMBER 31, 2021**

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MERCER COUNTY
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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

City of Celina
Mercer County
225 North Main Street
Celina, Ohio 45822

To the City Council:

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 Celina, Mercer County, Ohio (the City), as of and for the year ended December 31, 2021, 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 Celina, Mercer County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Additional Income Tax Levy Special Revenue Funds 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 27 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 October 12, 2022, 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
Auditor of State
Columbus, Ohio

October 12, 2022

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CITY OF CELINA
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis of the City of Celina's financial performance provides an overview of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Celina's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's nonmajor funds in a single column. The City's major funds are the General, Additional Income Tax Levy, GO Debt Service, Street Improvement, Tax Increment Financing, Electric, Water, Sewer, and Stormwater funds.

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2021. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings; streets; electric, water, sewer, and stormwater lines). These factors must be considered when assessing the overall health of the City.

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

- **Governmental Activities** - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, basic utility services, transportation, and general government activities. These services are primarily funded by property taxes and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's electric, water, sewer, and stormwater services are reported here.

CITY OF CELINA
 Management's Discussion and Analysis
 For the Year Ended December 31, 2021
 Unaudited

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the City's major funds, the General, Additional Income Tax Levy, GO Debt Service, Street Improvement, Tax Increment Financing, Electric, Water, Sewer, and Stormwater funds. While the City uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

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

Proprietary Funds - The City's enterprise funds use the accrual basis of accounting, the same as that used for the business-type activities on the government-wide financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2021 and 2020.

Table 1
 Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Current and Other Assets	\$26,681,627	\$23,297,710	\$29,084,238	\$33,089,974	\$55,765,865	\$56,387,684
Net Pension Asset	15,008	12,004	23,474	17,273	38,482	29,277
Net OPEB Asset	179,597	0	280,907	0	460,504	0
Capital Assets, Net	33,650,169	32,899,507	48,964,397	46,940,436	82,614,566	79,839,943
Total Assets	<u>60,526,401</u>	<u>56,209,221</u>	<u>78,353,016</u>	<u>80,047,683</u>	<u>138,879,417</u>	<u>136,256,904</u>

(continued)

CITY OF CELINA
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 1
Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Deferred Outflows of Resources</u>						
Pension	\$1,191,159	\$1,372,286	\$430,694	\$508,074	\$1,555,857	\$1,880,360
OPEB	729,002	926,443	168,494	357,153	869,279	1,283,596
Total Deferred Outflows of Resources	<u>1,920,161</u>	<u>2,298,729</u>	<u>599,188</u>	<u>865,227</u>	<u>2,425,136</u>	<u>3,163,956</u>
<u>Liabilities</u>						
Current and Other Liabilities	1,087,351	1,303,326	2,618,803	3,668,913	3,706,154	4,972,239
Long-Term Liabilities						
Pension	7,649,249	8,455,013	2,425,843	3,143,311	10,075,092	11,598,324
OPEB	947,803	2,388,604	0	2,114,126	947,803	4,502,730
Other Amounts	1,120,109	1,438,742	5,728,060	6,494,598	6,848,169	7,933,340
Total Liabilities	<u>10,804,512</u>	<u>13,585,685</u>	<u>10,772,706</u>	<u>15,420,948</u>	<u>21,577,218</u>	<u>29,006,633</u>
<u>Deferred Inflows of Resources</u>						
Pension	1,616,098	1,271,552	1,054,917	673,057	2,605,019	1,944,609
OPEB	980,277	713,803	858,284	556,927	1,810,344	1,270,730
Other Amounts	1,601,314	1,436,156	0	0	1,601,314	1,436,156
Total Deferred Inflows of Resources	<u>4,197,689</u>	<u>3,421,511</u>	<u>1,913,201</u>	<u>1,229,984</u>	<u>6,016,677</u>	<u>4,651,495</u>
<u>Net Position</u>						
Net Investment in Capital Assets	32,913,868	31,684,881	43,245,706	39,417,785	76,159,574	71,102,666
Restricted	9,541,643	7,866,984	526,066	1,194,551	10,067,709	9,061,535
Unrestricted	4,988,850	1,948,889	22,494,525	23,649,642	27,483,375	25,598,531
Total Net Position	<u>\$47,444,361</u>	<u>\$41,500,754</u>	<u>\$66,266,297</u>	<u>\$64,261,978</u>	<u>\$113,710,658</u>	<u>\$105,762,732</u>

The net pension liability (asset) and the net OPEB liability (asset) reported by the City at December 31, 2021, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

CITY OF CELINA
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GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

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

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

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick 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 pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and the net OPEB liability (asset), respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB changes noted in the above table reflect an overall decrease in deferred outflows and overall increase in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability and the net OPEB liability represent the City's proportionate share of the unfunded benefits.

CITY OF CELINA
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For governmental activities, the increase in current and other assets was primarily due to an increase in cash and cash equivalents; generally the result of the increase in income tax revenue and reduced spending in 2021. There was also an increase in the amount due from other governments; largely a grant from the Ohio Department of Natural Resources for Bryson Park, and an increase in municipal income taxes receivable as the economy continues to rebound. The decrease in current and other liabilities was due, in part, to a decrease in accounts payable; largely COVID related spending in the prior year. There was also a decrease in notes payable as the note issued for land acquisition was paid off in 2021. However, this amount was generally offset by an increase in unearned revenue representing American Recovery Plan Act resources not spent as of year end. The decrease in other long-term liabilities was primarily scheduled debt retirement. The increase in unrestricted net position, while impacted by the above items, also reflects the significant decrease in the pension/OPEB liability. While changes in pension/OPEB related assumptions led to the decrease in these liabilities, the most significant change was due to the health care group plans offered by OPERS being discontinued for non-Medicare and reemployed employees and those changes being reflected in the December 31, 2020, measurement date.

For business-type activities, the decrease in current and other assets was due to a decrease in cash and cash equivalents related to resources spent on construction (not funded with debt); also reflected in the increase in net capital assets. The decrease in current and other liabilities is due to a decrease in outstanding contracts and retainage from the prior year that were related to the City's construction activities. The decrease in other long-term liabilities was primarily scheduled debt retirement.

Table 2 reflects the change in net position for 2021 and 2020.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$1,392,626	\$1,292,211	\$29,656,153	\$30,473,887	\$31,048,779	\$31,766,098
Operating Grants, Contributions, and Interest	1,168,462	2,058,899	0	207,905	1,168,462	2,266,804
Capital Grants and Contributions	1,332,645	851,731	0	327,276	1,332,645	1,179,007
Total Program Revenues	<u>3,893,733</u>	<u>4,202,841</u>	<u>29,656,153</u>	<u>31,009,068</u>	<u>33,549,886</u>	<u>35,211,909</u>
General Revenues						
Property Taxes	372,683	387,133	0	0	372,683	387,133
Municipal Income Taxes	7,327,686	6,474,288	0	0	7,327,686	6,474,288
Payment in Lieu of Taxes	736,440	760,128	0	0	736,440	760,128
Other Local Taxes	617,013	593,306	0	0	617,013	593,306
Franchise Taxes	92,034	95,716	0	0	92,034	95,716
Grants and Entitlements not Restricted to Specific Programs	369,367	355,130	0	0	369,367	355,130
Interest	(193,976)	758,745	(39,327)	230,741	(233,303)	989,486
Other	925,267	1,087,318	209,118	315,868	1,134,385	1,403,186
Total General Revenues	<u>10,246,514</u>	<u>10,511,764</u>	<u>169,791</u>	<u>546,609</u>	<u>10,416,305</u>	<u>11,058,373</u>
Total Revenues	<u>14,140,247</u>	<u>14,714,605</u>	<u>29,825,944</u>	<u>31,555,677</u>	<u>43,966,191</u>	<u>46,270,282</u>

(continued)

CITY OF CELINA
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Expenses</u>						
Security of Persons and Property	\$4,396,179	\$4,053,354	\$0	\$0	\$4,396,179	\$4,053,354
Public Health	111,918	1,080,944	0	0	111,918	1,080,944
Leisure Time Activities	622,735	742,850	0	0	622,735	742,850
Community Environment	60,000	92,879	0	0	60,000	92,879
Basic Utility Services	123,622	1,009,355	0	0	123,622	1,009,355
Transportation	1,683,595	1,529,625	0	0	1,683,595	1,529,625
General Government	1,043,521	1,736,258	0	0	1,043,521	1,736,258
Interest and Fiscal Charges	37,488	69,292	0	0	37,488	69,292
Electric	0	0	23,231,565	22,299,648	23,231,565	22,299,648
Water	0	0	3,178,082	3,574,981	3,178,082	3,574,981
Sewer	0	0	1,367,022	1,927,253	1,367,022	1,927,253
Stormwater	0	0	162,538	154,793	162,538	154,793
Total Expenses	<u>8,079,058</u>	<u>10,314,557</u>	<u>27,939,207</u>	<u>27,956,675</u>	<u>36,018,265</u>	<u>38,271,232</u>
Excess of Revenues Over						
Expenses Before Transfers	6,061,189	4,400,048	1,886,737	3,599,002	7,947,926	7,999,050
Transfers	(117,582)	(37,768)	117,582	37,768	0	0
Increase in Net Position	<u>5,943,607</u>	<u>4,362,280</u>	<u>2,004,319</u>	<u>3,636,770</u>	<u>7,947,926</u>	<u>7,999,050</u>
Net Position Beginning of Year	<u>41,500,754</u>	<u>37,138,474</u>	<u>64,261,978</u>	<u>60,625,208</u>	<u>105,762,732</u>	<u>97,763,682</u>
Net Position End of Year	<u>\$47,444,361</u>	<u>\$41,500,754</u>	<u>\$66,266,297</u>	<u>\$64,261,978</u>	<u>\$113,710,658</u>	<u>\$105,762,732</u>

For governmental activities, there was a 7 percent decrease in program revenues overall. The decrease in operating grants and contributions represents COVID relief resources received in the prior year. The increase in capital grants and contributions reflects the Ohio Department of Natural Resources grant for Bryson Park. There was not a significant change in general revenues from the prior year; however, there was an increase in municipal income taxes as economic recovery from the pandemic continues. Unfortunately, this increase was minimized by the decrease in interest revenue based on market value fluctuations of the City's investments. Total revenues decreased approximately 4 percent. The decrease in expenses was a combination of the significant decrease related to the decrease in pension, and most significantly OPEB, expenses as well as a reduction due to pandemic related expenses that occurred in the prior year.

For business-type activities, there was a slight decrease in charges for services, primarily in the Electric Fund (charges based on consumption). Also, in the prior year, the City received a FEMA grant (operating grants and contributions) and a capital contribution (capital grants and contributions). The largest change for general revenues was the decrease in interest revenue based on market value fluctuations of the City's investments. The overall change in expenses was not significant.

CITY OF CELINA
Management's Discussion and Analysis
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Unaudited

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Security of Persons and Property	\$4,396,179	\$4,053,354	\$3,400,408	\$3,478,460
Public Health	111,918	1,080,944	96,076	1,062,664
Leisure Time Activities	622,735	742,850	(76,277)	663,220
Community Environment	60,000	92,879	61,391	86,341
Basic Utility Services	123,622	1,009,355	123,622	204,074
Transportation	1,683,595	1,529,625	239,533	(441,910)
General Government	1,043,521	1,736,258	303,084	989,575
Interest and Fiscal Charges	37,488	69,292	37,488	69,292
Total Expenses	\$8,079,058	\$10,314,557	\$4,185,325	\$6,111,716

General revenues provided for 52 percent of the costs of providing governmental services in 2021 (59 percent in 2020). The City's most significant revenue source is municipal income taxes. As indicated previously, the change in the total cost of services from 2020 to 2021 was largely related to the change in pension/OPEB expense, particularly OPEB expense due to the changes in the program and from decreases due to prior year pandemic related costs. The cost of the leisure time program was offset by a grant received for Bryson Park in 2021. The transportation program receives charges for services in the form of permissive motor vehicle license monies and operating grants in the form of State levied motor vehicle license fees and gas taxes.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Additional Income Tax Levy Fund, the GO Debt Service Fund, Street Improvement Fund, and Tax Increment Financing Fund.

The decrease in fund balance in the General Fund was primarily due to resources transferred to other funds to subsidize their operations. The General Fund transferred approximately \$2 million more in 2021 than 2020.

For the Additional Income Tax Levy Fund, income tax revenues increased slightly from the prior year and overall expenditures decreased for transportation related projects. Fund balance increased approximately 42 percent.

Fund balance increased in the GO Debt Service Fund as revenues exceeded the amount required for annual debt payments.

The increase in fund balance in the Street Improvement Fund is primarily due to resources transferred in from other funds.

CITY OF CELINA
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Fund balance increased in the Tax Increment Financing Fund. Revenues decreased slightly; however, the principal and interest payments were significantly less than in the prior year.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Electric, Water, Sewer, and Stormwater funds.

Net position decreased 2 percent in the Electric Fund, not a significant change.

Net position increased 5 percent in the Water Fund. There was a slight increase in revenues and slight decrease in expenses.

Net position increased 13 percent in the Sewer Fund. Revenues were comparable to the prior year. Expenditures decreased from prior year largely due to the change in pension/OPEB expense.

Net position increased 5 percent in the Stormwater fund. Both revenues and expenses were similar to the prior year.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is effective the first day of January. The City's most significant budgeted fund is the General Fund. For revenues, there was no change from the original budget to the final budget. The increase in actual revenues from the final budget were largely due to the conservative estimate for municipal income taxes, related to an increase in income tax revenues received. For expenditures, changes from the original budget to the final budget were not significant. Actual expenditures were less than the final budgeted amounts for all programs due to conservative budgeting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2021, was \$33,650,169 and \$48,964,397, respectively (net of accumulated depreciation). This investment in capital assets includes land improvements; construction in progress; buildings; streets; furniture and equipment; vehicles; and electric, water, sewer, and stormwater lines. The most significant additions for governmental activities included a storage building for the police department, street resurfacing, miscellaneous equipment, and vehicle replacement. Disposals primarily consisted of replaced vehicles. For business-type activities, the significant additions included the water plant, a sludge dewatering facility, and a shop building, infrastructure improvements, and vehicle replacement. Disposals included infrastructure and vehicles. For further information on the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2021, the City had a number of long-term obligations outstanding including \$790,000 in general obligation bonds, \$775,000 in mortgage revenue bonds, \$153,301 in OPWC loans, \$4,463,380 in OWDA loans, and \$57,670 in capital leases. Of this amount, \$5,512,948 will be repaid from business-type activities.

CITY OF CELINA
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

In addition to the debt outlined above, the City's long-term obligations also include the net pension/OPEB liability and compensated absences. For further information on the City's debt, refer to Notes 19, 20, and 21 to the basic financial statements.

CURRENT ISSUES

The City's end of year borrowed debt was approximately \$6.2 million which represents an approximate 13% reduction from 2020.

The City's 2021 Street Resurfacing Program included just over five miles of secondary street resurfacing which is funded by the .5 percent additional income tax.

The .5 percent additional income tax cycle has come to an end and will be put back on the ballot in 2022 to be voted on by residents.

The City's income tax saw a 13 percent increase from 2020 to 2021. This increase, along with the General Fund carryover balance, allowed for transfers of \$4.9 million to other funds (see Note 23).

The City was awarded just over \$1 million from the American Rescue Plan Act (ARPA); the first half was received in September 2021 and the second half will be received in 2022.

The Parks and Recreation Department was awarded the National Park Service's "Land and Water Conservation Fund" (LWCF) matching grant, in the amount of \$500,000, which is to be used for capital improvements including new restroom facilities at Bryson Park.

The Water Treatment Plant utilized the remaining proceeds of the \$8 million Water Solutions Grant received in 2016 to complete water plant improvements and expansion with a new DAF (Dissolved Air Flotation) process.

The Electric Department crews installed just over 2,100 radio read meters with CARES Act grant proceeds with the purpose of preventing unnecessary public exposure to COVID-19 by personnel.

The Police Department entered into an agreement for a newly created position of School Resource Officer, which is partially funded by the Celina City School District.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brooke Shinn, Celina City Auditor, P.O. Box 297, Celina, Ohio 45822-0297.

City of Celina
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities*	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$21,921,300	\$23,092,914	\$45,014,214
Cash and Cash Equivalents with Fiscal Agents	0	284,416	284,416
Investments with Fiscal Agent	259,406	0	259,406
Accounts Receivable	101,374	2,885,195	2,986,569
Accrued Interest Receivable	59,648	19,281	78,929
Due from Other Governments	899,176	6,374	905,550
Municipal Income Taxes Receivable	1,166,813	0	1,166,813
Internal Balances	47,494	(47,494)	0
Prepaid Items	77,571	73,341	150,912
Materials and Supplies Inventory	62,324	2,770,211	2,832,535
Property Taxes Receivable	871,201	0	871,201
Payment in Lieu of Taxes Receivable	1,164,289	0	1,164,289
Notes Receivable	51,031	0	51,031
Net Pension Asset	15,008	23,474	38,482
Net OPEB Asset	179,597	280,907	460,504
Nondepreciable Capital Assets	14,187,745	571,931	14,759,676
Depreciable Capital Assets, Net	19,462,424	48,392,466	67,854,890
Total Assets	60,526,401	78,353,016	138,879,417
<u>Deferred Outflows of Resources</u>			
Pension	1,191,159	430,694	1,555,857
OPEB	729,002	168,494	869,279
Total Deferred Outflows of Resources	1,920,161	599,188	2,425,136
<u>Liabilities</u>			
Accrued Wages Payable	171,165	98,589	269,754
Accounts Payable	152,152	154,995	307,147
Contracts Payable	62,250	1,753,067	1,815,317
Retainage Payable	19,852	0	19,852
Due to Other Governments	130,795	78,048	208,843
Accrued Interest Payable	5,122	43,157	48,279
Notes Payable	0	0	0
Unearned Revenue	546,015	0	546,015
Deposits Held and Due to Others	0	490,947	490,947
Long-Term Liabilities			
Due Within One Year	391,343	748,972	1,140,315
Due in More Than One Year	728,766	4,979,088	5,707,854
Net Pension Liability	7,649,249	2,425,843	10,075,092
Net OPEB Liability	947,803	0	947,803
Total Liabilities	10,804,512	10,772,706	21,577,218
<u>Deferred Inflows of Resources</u>			
Property Taxes	437,025	0	437,025
Payment in Lieu of Taxes	1,164,289	0	1,164,289
Pension	1,616,098	1,054,917	2,605,019
OPEB	980,277	858,284	1,810,344
Total Deferred Inflows of Resources	4,197,689	1,913,201	6,016,677

(continued)

City of Celina
Statement of Net Position
December 31, 2021
(continued)

	Governmental Activities	Business-Type Activities*	Total
<u>Net Position</u>			
Net Investment in Capital Assets	\$32,913,868	\$43,245,706	\$76,159,574
Restricted for			
Debt Service	28,323	0	28,323
Capital Projects	4,322,623	0	4,322,623
Other Purposes	4,930,744	0	4,930,744
Cemetery			
Expendable	9,953	0	9,953
Nonexpendable	250,000	0	250,000
Revenue Bond Operations and Maintenance	0	354,994	354,994
Revenue Bond Future Debt Service	0	171,072	171,072
Unrestricted	4,988,850	22,494,525	27,483,375
Total Net Position	<u>\$47,444,361</u>	<u>\$66,266,297</u>	<u>\$113,710,658</u>

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

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property	\$4,396,179	\$584,385	\$14,147	\$397,239
Public Health	111,918	16,500	(658)	0
Leisure Time Activities	622,735	96,541	79,533	522,938
Community Environment	60,000	0	(1,391)	0
Basic Utility Services	123,622	0	0	0
Transportation	1,683,595	7,370	1,065,692	371,000
General Government	1,043,521	687,830	11,139	41,468
Interest and Fiscal Charges	37,488	0	0	0
Total Governmental Activities	8,079,058	1,392,626	1,168,462	1,332,645
<u>Business-Type Activities</u>				
Electric	23,231,565	22,522,280	0	0
Water	3,178,082	4,274,821	0	0
Sewer	1,367,022	2,490,545	0	0
Stormwater	162,538	368,507	0	0
Total Business-Type Activities	27,939,207	29,656,153	0	0
Total	\$36,018,265	\$31,048,779	\$1,168,462	\$1,332,645
<u>General Revenues</u>				
Property Taxes Levied for General Purposes				
Property Taxes Levied for Police Pension				
Property Taxes Levied for Fire Pension				
Municipal Income Taxes for General Purposes				
Municipal Income Taxes for Other Purposes				
Payment in Lieu of Taxes				
Other Local Taxes				
Franchise Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Interest				
Other				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position Beginning of Year				
Net Position End of Year				

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(3,400,408)	\$0	(\$3,400,408)
(96,076)	0	(96,076)
76,277	0	76,277
(61,391)	0	(61,391)
(123,622)	0	(123,622)
(239,533)	0	(239,533)
(303,084)	0	(303,084)
(37,488)	0	(37,488)
<u>(4,185,325)</u>	<u>0</u>	<u>(4,185,325)</u>
0	(709,285)	(709,285)
0	1,096,739	1,096,739
0	1,123,523	1,123,523
<u>0</u>	<u>205,969</u>	<u>205,969</u>
0	1,716,946	1,716,946
<u>(4,185,325)</u>	<u>1,716,946</u>	<u>(2,468,379)</u>
275,461	0	275,461
48,611	0	48,611
48,611	0	48,611
4,901,346	0	4,901,346
2,426,340	0	2,426,340
736,440	0	736,440
617,013	0	617,013
92,034	0	92,034
369,367	0	369,367
(193,976)	(39,327)	(233,303)
<u>925,267</u>	<u>209,118</u>	<u>1,134,385</u>
10,246,514	169,791	10,416,305
<u>(117,582)</u>	<u>117,582</u>	<u>0</u>
<u>10,128,932</u>	<u>287,373</u>	<u>10,416,305</u>
5,943,607	2,004,319	7,947,926
<u>41,500,754</u>	<u>64,261,978</u>	<u>105,762,732</u>
<u>\$47,444,361</u>	<u>\$66,266,297</u>	<u>\$113,710,658</u>

City of Celina
Balance Sheet
Governmental Funds
December 31, 2021

	General	Additional Income Tax Levy	GO Debt Service	Street Improvement	Tax Increment Financing
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$2,714,748	\$1,667,968	\$32,607	\$8,872,831	\$4,025,550
Investments with Fiscal Agent	0	0	0	0	0
Accounts Receivable	73,693	0	0	0	0
Accrued Interest Receivable	58,144	0	0	0	0
Due from Other Governments	194,331	0	0	0	14,182
Municipal Income Taxes Receivable	779,483	387,330	0	0	0
Interfund Receivable	74,942	0	0	0	0
Prepaid Items	77,571	0	0	0	0
Materials and Supplies Inventory	24,016	0	0	0	0
<u>Restricted Assets</u>					
Equity in Pooled Cash and Cash Equivalents	32,809	0	0	0	0
Property Taxes Receivable	643,931	0	0	0	0
Payment in Lieu of Taxes Receivable	0	0	0	0	1,164,289
Notes Receivable	0	0	0	0	0
Total Assets	\$4,673,668	\$2,055,298	\$32,607	\$8,872,831	\$5,204,021
<u>Liabilities</u>					
Accrued Wages Payable	\$150,718	\$0	\$0	\$0	\$0
Accounts Payable	128,421	0	0	0	0
Contracts Payable	0	0	0	62,250	0
Retainage Payable	0	0	0	0	0
Due to Other Governments	60,693	0	0	0	0
Interfund Payable	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	339,832	0	0	62,250	0
<u>Deferred Inflows of Resources</u>					
Property Taxes	323,019	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	1,164,289
Unavailable Revenue	1,063,927	232,688	0	0	14,182
Total Deferred Inflows of Resources	1,386,946	232,688	0	0	1,178,471
<u>Fund Balance</u>					
Nonspendable	134,396	0	0	0	0
Restricted	0	1,822,610	32,607	0	4,025,550
Committed	300,000	0	0	8,810,581	0
Assigned	136,736	0	0	0	0
Unassigned (Deficit)	2,375,758	0	0	0	0
Total Fund Balance	2,946,890	1,822,610	32,607	8,810,581	4,025,550
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$4,673,668	\$2,055,298	\$32,607	\$8,872,831	\$5,204,021

See Accompanying Notes to the Basic Financial Statements

<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$4,574,787	\$21,888,491
259,406	259,406
27,681	101,374
1,504	59,648
690,663	899,176
0	1,166,813
0	74,942
0	77,571
38,308	62,324
0	32,809
227,270	871,201
0	1,164,289
<u>51,031</u>	<u>51,031</u>
<u>\$5,870,650</u>	<u>\$26,709,075</u>
\$20,447	\$171,165
23,731	152,152
0	62,250
19,852	19,852
70,102	130,795
27,448	27,448
<u>546,015</u>	<u>546,015</u>
<u>707,595</u>	<u>1,109,677</u>
114,006	437,025
0	1,164,289
<u>743,167</u>	<u>2,053,964</u>
<u>857,173</u>	<u>3,655,278</u>
288,308	422,704
2,511,013	8,391,780
1,603,142	10,713,723
0	136,736
<u>(96,581)</u>	<u>2,279,177</u>
<u>4,305,882</u>	<u>21,944,120</u>
<u>\$5,870,650</u>	<u>\$26,709,075</u>

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City of Celina
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2021

Total Governmental Fund Balance		\$21,944,120
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		33,650,169
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Accounts Receivable	76,488	
Accrued Interest Payable	37,111	
Due from Other Governments	803,302	
Municipal Income Taxes Receivable	702,887	
Delinquent Property Taxes Receivable	434,176	
		2,053,964
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued Interest Payable	(5,122)	
General Obligation Bonds Payable	(600,000)	
OPWC Loan Payable	(68,733)	
Capital Leases Payable	(57,670)	
Compensated Absences Payable	(393,706)	
		(1,125,231)
The net pension/OPEB liability (asset) is not due and payable in the current period, therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Net Pension Asset	15,008	
Deferred Outflows - Pension	1,191,159	
Deferred Inflows - Pension	(1,616,098)	
Net Pension Liability	(7,649,249)	
Net OPEB Asset	179,597	
Deferred Outflows - OPEB	729,002	
Deferred Inflows - OPEB	(980,277)	
Net OPEB Liability	(947,803)	
		(9,078,661)
Net Position of Governmental Activities		\$47,444,361

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	General	Additional Income Tax Levy	GO Debt Service	Street Improvement	Tax Increment Financing
<u>Revenues</u>					
Property Taxes	\$293,491	\$0	\$0	\$0	\$0
Municipal Income Taxes	4,702,716	2,326,383	0	0	0
Payment in Lieu of Taxes	0	0	0	0	736,440
Other Local Taxes	617,013	0	0	0	0
Charges for Services	288,978	0	0	0	0
Fees, Licenses, and Permits	99,761	0	0	0	0
Fines and Forfeitures	271,810	0	0	0	0
Intergovernmental	834,645	0	0	0	28,699
Interest	(205,622)	0	0	0	0
Other	1,598,189	0	511,767	511,000	0
Total Revenues	8,500,981	2,326,383	511,767	511,000	765,139
<u>Expenditures</u>					
Current:					
Security of Persons and Property	3,720,132	1,274,000	0	0	0
Public Health	93,350	0	0	0	0
Leisure Time Activities	72,961	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	179,473	0	0	0	0
Transportation	216,270	511,000	0	991,078	7,888
General Government	1,582,435	0	0	0	0
Debt Service:					
Principal Retirement	0	0	110,000	0	60,309
Interest and Fiscal Charges	0	0	18,359	0	11,800
Total Expenditures	5,864,621	1,785,000	128,359	991,078	79,997
Excess of Revenues Over (Under) Expenditures	2,636,360	541,383	383,408	(480,078)	685,142
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	133,931	0	0	0	0
Transfers In	0	0	125,948	3,200,000	6,873
Transfers Out	(4,905,123)	0	0	0	(243,530)
Total Other Financing Sources (Uses)	(4,771,192)	0	125,948	3,200,000	(236,657)
Changes in Fund Balance	(2,134,832)	541,383	509,356	2,719,922	448,485
Fund Balance (Deficit) Beginning of Year	5,081,722	1,281,227	(476,749)	6,090,659	3,577,065
Fund Balance End of Year	\$2,946,890	\$1,822,610	\$32,607	\$8,810,581	\$4,025,550

See Accompanying Notes to the Basic Financial Statements

Other Governmental	Total Governmental Funds
\$103,584	\$397,075
0	7,029,099
0	736,440
0	617,013
113,041	402,019
0	99,761
213,446	485,256
1,555,261	2,418,605
(9,139)	(214,761)
197,076	2,818,032
<u>2,173,269</u>	<u>14,788,539</u>
838,094	5,832,226
40,891	134,241
713,924	786,885
60,000	60,000
9	179,482
1,216,754	2,942,990
119,782	1,702,217
55,003	225,312
5,458	35,617
<u>3,049,915</u>	<u>11,898,970</u>
<u>(876,646)</u>	<u>2,889,569</u>
0	133,931
1,698,250	5,031,071
0	(5,148,653)
<u>1,698,250</u>	<u>16,349</u>
821,604	2,905,918
<u>3,484,278</u>	<u>19,038,202</u>
<u>\$4,305,882</u>	<u>\$21,944,120</u>

City of Celina
 Reconciliation of Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2021

Changes in Fund Balance - Total Governmental Funds \$2,905,918

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

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

Capital Outlay - Nondepreciable Capital Assets	1,748,421	
Capital Outlay - Depreciable Capital Assets	352,166	
Capital Contributions	595,753	
Depreciation	<u>(1,779,761)</u>	916,579

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(133,931)	
Gain on Disposal of Capital Assets	10,268	
Loss on Disposal of Capital Assets	<u>(42,254)</u>	(165,917)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	(24,392)	
Municipal Income Taxes	298,587	
Fees, Licenses, and Permits	(837)	
Charges for Services	14,450	
Intergovernmental	232,395	
Interest	<u>10,484</u>	530,687

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

Bond Anticipation Notes Payable	0	
General Obligation Bonds Payable	160,000	
OPWC Loan Payable	10,309	
Capital Loans Payable	0	
Capital Leases Payable	<u>55,003</u>	225,312

Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense on the statement of activities.

Pension Expense	(448,368)	
OPEB Expense	<u>1,143,275</u>	694,907

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

Contractually Required Contributions - Pension	731,463	
Contractually Required Contributions - OPEB	<u>13,208</u>	744,671

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. (1,871)

Compensated absences reported on the statement of net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

93,321

Change in Net Position of Governmental Activities \$5,943,607

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>Revenues</u>				
Property Taxes	320,031	320,031	293,491	(\$26,540)
Municipal Income Taxes	3,572,000	3,572,000	4,749,395	1,177,395
Other Local Taxes	610,000	610,000	618,585	8,585
Charges for Services	284,000	284,000	294,454	10,454
Fees, Licenses, and Permits	100,250	100,250	100,321	71
Fines and Forfeitures	303,834	303,834	273,874	(29,960)
Intergovernmental	607,490	607,490	832,462	224,972
Interest	150,000	150,000	220,640	70,640
Other	1,256,485	1,256,485	1,596,858	340,373
Total Revenues	7,204,090	7,204,090	8,980,080	1,775,990
<u>Expenditures</u>				
Current:				
Security of Persons and Property	3,876,282	3,912,782	3,712,800	199,982
Public Health	93,851	93,851	93,350	501
Leisure Time Activities	96,832	96,832	69,238	27,594
Community Environment	3,000	3,000	0	3,000
Basic Utility Services	253,076	261,041	186,364	74,677
Transportation	240,289	240,289	211,545	28,744
General Government	1,744,826	1,773,860	1,572,122	201,738
Other	110,000	123,850	26,132	97,718
Total Expenditures	6,418,156	6,505,505	5,871,551	633,954
Excess of Revenues Over Expenditures	785,934	698,585	3,108,529	2,409,944
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	133,931	133,931	133,931	0
Transfers Out	(906,696)	(5,122,753)	(4,905,123)	217,630
Total Other Financing Sources (Uses)	(772,765)	(4,988,822)	(4,771,192)	217,630
Changes in Fund Balance	13,169	(4,290,237)	(1,662,663)	2,627,574
Fund Balance Beginning of Year	4,307,018	4,307,018	4,307,018	0
Prior Year Encumbrances Appropriated	18,602	18,602	18,602	0
Fund Balance End of Year	\$4,338,789	\$35,383	\$2,662,957	\$2,627,574

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Additional Income Tax Levy Special Revenue Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Municipal Income Taxes	\$1,785,000	\$1,785,000	\$2,349,722	\$564,722
<u>Expenditures</u>				
Current:				
Security of Persons and Property	1,274,000	1,274,000	1,274,000	0
Transportation	511,000	511,000	511,000	0
Total Expenditures	1,785,000	1,785,000	1,785,000	0
Changes in Fund Balance	0	0	564,722	564,722
Fund Balance Beginning of Year	1,103,246	1,103,246	1,103,246	0
Fund Balance End of Year	<u>\$1,103,246</u>	<u>\$1,103,246</u>	<u>\$1,667,968</u>	<u>\$564,722</u>

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Fund Net Position
Enterprise Funds
December 31, 2021

	Electric	Water	Sewer	Stormwater	Total
<u>Assets</u>					
<u>Current Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$9,763,489	\$5,631,732	\$5,853,463	\$998,289	\$22,246,973
Cash and Cash Equivalents with Fiscal Agent	113,344	0	0	0	113,344
Accounts Receivable	2,203,808	418,024	229,146	34,217	2,885,195
Accrued Interest Receivable	0	7,932	11,349	0	19,281
Due from Other Governments	2,983	1,737	1,654	0	6,374
Interfund Receivable	26,914	0	0	0	26,914
Prepaid Items	31,976	22,779	18,586	0	73,341
Materials and Supplies Inventory	1,792,129	914,641	52,247	11,194	2,770,211
Total Current Assets	13,934,643	6,996,845	6,166,445	1,043,700	28,141,633
<u>Non-Current Assets</u>					
<u>Restricted Assets</u>					
Equity in Pooled Cash and Cash Equivalents	490,947	0	354,994	0	845,941
Cash and Cash Equivalents with Fiscal Agents	0	0	171,072	0	171,072
Net Pension Asset	9,234	8,851	5,389	0	23,474
Net OPEB Asset	110,519	105,917	64,471	0	280,907
Nondepreciable Capital Assets	376,501	49,338	146,092	0	571,931
Depreciable Capital Assets, Net	14,600,028	25,396,177	4,921,171	3,475,090	48,392,466
Total Non-Current Assets	15,587,229	25,560,283	5,663,189	3,475,090	50,285,791
Total Assets	29,521,872	32,557,128	11,829,634	4,518,790	78,427,424
<u>Deferred Outflows of Resources</u>					
Pension	143,695	208,466	83,820	0	435,981
OPEB	55,192	94,820	32,195	0	182,207
Total Deferred Outflows of Resources	198,887	303,286	116,015	0	618,188
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Accrued Wages Payable	37,796	37,494	23,299	0	98,589
Accounts Payable	126,331	20,402	7,042	1,220	154,995
Contracts Payable	1,746,768	6,299	0	0	1,753,067
Compensated Absences Payable	33,383	35,674	23,785	0	92,842
Due to Other Governments	49,173	17,699	11,176	0	78,048
Interfund Payable	47,652	15,316	11,440	0	74,408
Accrued Interest Payable	0	41,103	2,054	0	43,157
General Obligation Bonds Payable	0	20,000	0	0	20,000
Mortgage Revenue Bonds Payable	0	0	145,000	0	145,000
OPWC Loan Payable	0	24,162	0	0	24,162
OWDA Loans Payable	0	466,968	0	0	466,968
Total Current Liabilities	2,041,103	685,117	223,796	1,220	2,951,236
<u>Non-Current Liabilities</u>					
Deposits Held and Due to Others	490,947	0	0	0	490,947
General Obligation Bonds Payable	0	170,000	0	0	170,000
Mortgage Revenue Bonds Payable	0	0	630,000	0	630,000
Net Pension Liability	954,431	914,659	556,753	0	2,425,843
OPWC Loan Payable	0	60,406	0	0	60,406
OWDA Loans Payable	0	3,996,412	0	0	3,996,412
Compensated Absences Payable	41,021	53,976	27,273	0	122,270
Total Non-Current Liabilities	1,486,399	5,195,453	1,214,026	0	7,895,878
Total Liabilities	3,527,502	5,880,570	1,437,822	1,220	10,847,114

(continued)

City of Celina
Statement of Fund Net Position
Enterprise Funds
December 31, 2021
(continued)

	Electric	Water	Sewer	Stormwater	Total
<u>Deferred Inflows of Resources</u>					
Pension	\$418,286	\$397,916	\$244,002	\$0	\$1,060,204
OPEB	343,776	327,684	200,537	0	871,997
Total Deferred Inflows of Resources	<u>762,062</u>	<u>725,600</u>	<u>444,539</u>	<u>0</u>	<u>1,932,201</u>
<u>Net Position</u>					
Net Investment in Capital Assets	14,777,085	20,701,268	4,292,263	3,475,090	43,245,706
Restricted for					
Revenue Bond Operations and Maintenance	0	0	354,994	0	354,994
Revenue Bond Future Debt Service	0	0	171,072	0	171,072
Unrestricted	<u>10,654,110</u>	<u>5,552,976</u>	<u>5,244,959</u>	<u>1,042,480</u>	<u>22,494,525</u>
Total Net Position	<u>\$25,431,195</u>	<u>\$26,254,244</u>	<u>\$10,063,288</u>	<u>\$4,517,570</u>	<u>\$66,266,297</u>

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Enterprise Funds
For the Year Ended December 31, 2021

	Electric	Water	Sewer	Stormwater	Total
<u>Operating Revenues</u>					
Charges for Services	\$22,142,598	\$4,274,821	\$0	\$368,507	\$26,785,926
Charges for Services Pledged as Security on Mortgage Revenue Bonds	0	0	2,490,545	0	2,490,545
Other	72,238	74,311	36,826	0	183,375
Total Operating Revenues	22,214,836	4,349,132	2,527,371	368,507	29,459,846
<u>Operating Expenses</u>					
Personal Services	566,601	526,431	340,566	0	1,433,598
Materials and Supplies	21,359,074	1,376,100	513,579	40,874	23,289,627
Other	379,554	191,520	48,819	0	619,893
Depreciation	926,336	991,568	434,574	120,962	2,473,440
Total Operating Expenses	23,231,565	3,085,619	1,337,538	161,836	27,816,558
Operating Income (Loss)	(1,016,729)	1,263,513	1,189,833	206,671	1,643,288
<u>Non-Operating Revenues (Expenses)</u>					
Excise Taxes	379,682	0	0	0	379,682
Gain on Disposal of Capital Assets	10,251	5,813	9,679	0	25,743
Loss on Disposal of Capital Assets	0	(974)	(608)	0	(1,582)
Interest Revenue	0	(12,631)	(26,696)	0	(39,327)
Interest Expense	0	(91,489)	(28,876)	(702)	(121,067)
Total Non-Operating Revenues (Expenses)	389,933	(99,281)	(46,501)	(702)	243,449
Income before Transfers	(626,796)	1,164,232	1,143,332	205,969	1,886,737
Transfers In	0	117,582	0	0	117,582
Changes in Net Position	(626,796)	1,281,814	1,143,332	205,969	2,004,319
Net Position Beginning of Year	26,057,991	24,972,430	8,919,956	4,311,601	64,261,978
Net Position End of Year	\$25,431,195	\$26,254,244	\$10,063,288	\$4,517,570	\$66,266,297

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2021

	Electric	Water	Sewer	Stormwater	Total Enterprise Funds
Increases (Decreases) in Cash and Cash Equivalents					
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$22,055,215	\$4,231,860	\$2,478,482	\$365,161	\$29,130,718
Cash Received from Other Revenues	71,983	74,066	36,664	0	182,713
Cash Received from Deposits	134,120	0	0	0	134,120
Cash Payments for Personal Services	(1,434,075)	(1,337,845)	(831,395)	0	(3,603,315)
Cash Payments for Materials and Supplies	(21,494,801)	(1,323,272)	(531,345)	(41,890)	(23,391,308)
Cash Payments for Other Expenses	(384,998)	(191,717)	(61,704)	0	(638,419)
Cash Payments for Deposits Refunded	(100,546)	0	0	0	(100,546)
Net Cash Provided by (Used for) Operating Activities	(1,153,102)	1,453,092	1,090,702	323,271	1,713,963
<u>Cash Flows from Noncapital Financing Activities</u>					
Cash Received from Excise Taxes	379,682	0	0	0	379,682
Transfers In	0	117,582	0	0	117,582
Net Cash Provided by Noncapital Financing Activities	379,682	117,582	0	0	497,264
<u>Cash Flows from Capital and Related Financing Activities</u>					
Principal Paid on General Obligation Bonds	0	(20,000)	0	0	(20,000)
Principal Paid on Mortgage Revenue Bonds	0	0	(140,000)	0	(140,000)
Principal Paid on OPWC Loan	0	(36,243)	0	0	(36,243)
Principal Paid on OWDA Loans	0	(455,883)	0	0	(455,883)
Principal Paid on Capital Loans	0	0	(48,164)	(48,164)	(96,328)
Interest Paid on General Obligation Bonds	0	(8,000)	0	0	(8,000)
Interest Paid on Mortgage Revenue Bonds	0	0	(28,495)	0	(28,495)
Interest Paid on OWDA Loans	0	(88,622)	0	0	(88,622)
Interest Paid on Capital Loans	0	0	(1,686)	(1,686)	(3,372)
Acquisition of Capital Assets	(1,038,161)	(3,552,580)	(826,604)	(138,644)	(5,555,989)
Sale of Capital Assets	10,251	5,813	11,179	0	27,243
Net Cash Used for Capital and Related Financing Activities	(1,027,910)	(4,155,515)	(1,033,770)	(188,494)	(6,405,689)
<u>Cash Flows from Investing Activities</u>					
Interest	0	(15,631)	(29,605)	0	(45,236)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,801,330)	(2,600,472)	27,327	134,777	(4,239,698)
Cash and Cash Equivalents Beginning of Year	12,169,110	8,232,204	6,352,202	863,512	27,617,028
Cash and Cash Equivalents End of Year	\$10,367,780	\$5,631,732	\$6,379,529	\$998,289	\$23,377,330

(continued)

City of Celina
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2021
(continued)

	Electric	Water	Sewer	Stormwater	Total Enterprise Funds
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	(\$1,016,729)	\$1,263,513	\$1,189,833	\$206,671	\$1,643,288
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	926,336	991,568	434,574	120,962	2,473,440
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(87,805)	(42,961)	(12,063)	(3,346)	(146,175)
Increase in Due from Other Governments	(255)	(245)	(162)	0	(662)
Decrease in Interfund Receivable	422	0	0	0	422
(Increase) Decrease in Prepaid Items	(92)	681	100	0	689
(Increase) Decrease in Materials and Supplies Inventory	(167,478)	99,717	(10,442)	(2,078)	(80,281)
Increase in Net Pension Asset	(1,090)	(1,045)	(637)	0	(2,772)
Increase in Net OPEB Asset	(534,121)	(511,867)	(311,571)	0	(1,357,559)
Increase in Accrued Wages Payable	3,432	2,985	2,073	0	8,490
Increase (Decrease) in Accounts Payable	71,489	(4,837)	(4,061)	1,062	63,653
Decrease in Contracts Payable	(37,884)	(900)	(850)	0	(39,634)
Decrease in Due to Other Governments	(1,437)	(39,765)	(12,063)	0	(53,265)
Increase (Decrease) in Interfund Payable	(1,572)	925	(1,399)	0	(2,046)
Increase in Deposits Held and Due to Others	33,574	0	0	0	33,574
Increase (Decrease) in Compensated Absences Payable	(4,077)	(27,266)	13,259	0	(18,084)
Decrease in Net Pension Liability	(5,113)	(4,900)	(2,982)	0	(12,995)
Decrease in Deferred Outflows - Pension	180,417	201,420	105,245	0	487,082
Decrease in Deferred Outflows - OPEB	108,136	128,882	63,079	0	300,097
Decrease in Deferred Inflows - Pension	(287,458)	(280,602)	(167,684)	0	(735,744)
Decrease in Deferred Inflows - OPEB	(331,797)	(322,211)	(193,547)	0	(847,555)
Net Cash Provided by (Used for) Operating Activities	<u>(\$1,153,102)</u>	<u>\$1,453,092</u>	<u>\$1,090,702</u>	<u>\$323,271</u>	<u>\$1,713,963</u>

Non-Cash Capital Transactions

At December 31, 2021, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$199,444.
At December 31, 2020, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$15,324.

At December 31, 2021, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$6,299.
At December 31, 2020, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$842,456.

At December 31, 2020, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$403,469.

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$16,279
Cash and Cash Equivalents in Segregated Accounts	<u>72,008</u>
Total Assets	88,287
<u>Liabilities</u>	
Due to Other Governments	<u>1,542</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$86,745</u></u>
See Accompanying Notes to the Basic Financial Statements	

City of Celina
Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2021

<u>Additions</u>	
Licenses, Permits, and Fees for Others	\$9,945
Fines and Forfeitures for Other Governments	868,305
Other	286,300
Total Additions	<u>1,164,550</u>
 <u>Deductions</u>	
Licenses, Permits, and Fees Distributions to Others	8,760
Fines and Forfeitures Distributions to Other Governments	860,429
Distributions to Individuals	<u>251,287</u>
Total Deductions	<u>1,120,476</u>
Net Increase in Fiduciary Net Position	44,074
Net Position Beginning of Year	<u>42,671</u>
Net Position End of Year	<u><u>\$86,745</u></u>
See Accompanying Notes to the Basic Financial Statements	

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City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - DESCRIPTION OF THE CITY OF CELINA AND THE REPORTING ENTITY

A. The City

The City of Celina is a statutory municipal corporation operating under the laws of the State of Ohio. The City operates under a mayor-council form of government. Legislative power is vested in a seven member council and a council president, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. All City officials, with the exception of the Safety-Service Director, are elected positions. The Safety-Service Director is appointed by the Mayor.

The City of Celina is divided into various departments and financial management and control systems. Services provided include police protection, fire protection, parks and recreation, street maintenance and repair, and electric, water, sewer, and stormwater services as well as a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the Mayor through administrative and managerial requirements and procedures.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

The primary government of the City of Celina consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes all departments and activities that are directly operated by the elected City officials.

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 organization. Component units may also include organizations for which 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. There were no component units of the City of Celina in 2021.

The City of Celina participates in the Mercer County Community Improvement Corporation and the Mercer County Planning Commission, jointly governed organizations; and the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program and the Ohio Plan Risk Management, insurance purchasing pools. These organizations are presented in Notes 24 and 25 to the basic financial statements.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial 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 in nature 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 business-type activities. 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 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 governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

B. 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. The funds of the City are presented in three categories: governmental, proprietary, and fiduciary.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the City 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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

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

Additional Income Tax Levy Fund - The Additional Income Tax Levy Fund accounts for municipal income tax resources restricted for police and fire operations as well as for improvements to streets, curbs, sidewalks, and alleys.

GO Debt Service Fund - The GO Debt Service Fund accounts for resources that are restricted for the payment of principal, interest, and fiscal charges on general obligation debt.

Street Improvement Fund - The Street Improvement Fund accounts for transfers and other sources committed for future street repairs and improvements.

Tax Increment Financing Fund - The Tax Increment Financing Fund accounts for payment in lieu of tax revenues restricted for infrastructure and recreational improvements and construction.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

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

Electric Fund - This fund accounts for the provision of electric distribution to residential and commercial users within the City.

Water Fund - This fund accounts for the provision of water collection and distribution to residential and commercial users within the City.

Sewer Fund - This fund accounts for the provision of wastewater treatment service to residential and commercial users within the City.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stormwater Fund - This fund accounts for the operation of the stormwater runoff system 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 arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for traffic fines remitted to the State of Ohio, the activity of the municipal court due to third-parties, and employee deductions not yet remitted to their specific vendors.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. 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 current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using 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.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For proprietary funds, the statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects 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 deductions from custodial funds.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows of resources are reported on the government-wide and enterprise funds statements of net position for pension and OPEB and explained in Notes 16 and 17 to the basic financial statements.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources consists of property taxes, payment in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and enterprise funds statements of net position and explained in Notes 16 and 17 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, 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.

E. Budgetary Process

All funds, except custodial funds, are 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 City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for some funds and at the fund level for other funds. Budgetary allocations at the department and object level within these funds are made by the City Auditor.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. 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 requested by the City prior to year end.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance 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 City Council during the year.

F. Cash and Investments

To improve cash management, cash received by the City, except cash held by fiscal agents, is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents that are held separately for the City by financial institutions acting as trustees to service its mortgage revenue bonded debt as principal and interest payments come due and invested in mutual funds is presented as “Cash and Cash Equivalents with Fiscal Agents”.

During 2021, the City invested in mutual funds, negotiable certificates of deposit, federal agency securities, United States Treasury securities, commercial paper, and STAR Ohio. Investments are reported at fair value. Fair value is based on quoted market price or current share price. The City’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time purchase of less than one year. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants”. The City measures the 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 a NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hour advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million requiring the excess amount to be transacted the following business day(s) but only to the \$250 million limit. All accounts of the participant will be combined for this purpose.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Due to a decrease in the fair value of the City's investments, the General Fund reported negative interest revenue in 2021.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

I. Restricted Assets

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

Unclaimed monies that have a legal restriction on their use are reported as restricted.

Utility deposits from customers are classified as restricted assets on the statement of fund net position because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer.

Restricted assets also represent certain resources which are segregated from other resources of the City to comply with various covenants established by bond financing agreements. These assets are generally held in separate accounts of the City or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The City maintains a capitalization threshold of one 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 capitalized.

All capital assets are depreciated, except for land, some land improvements, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15-40 years	20-30 years
Buildings	10-100 years	20-100 years
Improvements Other than Buildings	20-23 years	N/A
Streets	15-40 years	N/A
Electric, Water, Sewer, and Stormwater Lines	N/A	1-50 years
Furniture and Equipment	5-20 years	10-20 years
Vehicles	10-25 years	7-25 years

K. Interfund Activity

On fund financial statements, receivables and payables resulting from interfund loans and from interfund services provided and used are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are presented as "Internal Balances".

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred inflows of resources and deferred outflows of resources from the change in proportionate share related to pension/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 on the government-wide statement of net position.

L. 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 the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on department policy and length of service.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the 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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. The 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 to pay those benefits. Long-term bonds, loans, and leases are recognized as liabilities on the fund financial statements when due.

N. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for construction, repair, and maintenance of State highways and local streets, recreation, loans to local businesses, and other revenues restricted for use by the municipal court and police department. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. 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 governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification 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” includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation (City ordinance).

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 purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes determined by a formal action (ordinance) of City Council. The committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance 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 is 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 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. Assigned amounts represent intended uses established by City Council. The City Council has authorized the Service-Safety Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated and for an employee wellness program.

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 balance.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City first applies restricted resources when an expenditure is 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 can be used.

P. 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 electric, water, sewer, and stormwater services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. Capital Contributions

Capital contributions arise from contributions of capital assets from outside sources.

R. Interfund Transactions

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund 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 the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Pension/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 pension/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. 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 PRINCIPLES

For 2021, the City implemented Implementation Guide No. 2019-1. These changes were incorporated in the City's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2021, the Police Pension and Fire Pension special revenue funds and the CDBG capital projects fund had deficit fund balances, in the amount of \$34,064, \$35,227, and \$27,290, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

At December 31, 2021, the following funds and/or accounts had expenditures in excess of appropriations for the year ended December 31, 2021.

Fund/Department/Object	Appropriations	Expenditures	Excess
Governmental Activities			
General Fund			
General Government			
Council			
Materials and Supplies	\$12,315	\$12,649	\$334
General Government			
Other	10,000	87,130	77,130

(continued)

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE (continued)

Governmental Activities (continued)

General Fund (continued)

Other

Non-Governmental

Other	\$15,350	\$16,962	\$1,612
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Revolving Loan Fund

Community Development

Other	0	60,000	60,000
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The City will monitor the activity of their funds to ensure that appropriations are within estimated resources and that expenditures are within appropriations.

NOTE 5 - 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 Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund and the Additional Income Tax Levy special revenue fund 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 the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis are as follows:

	General	Additional Income Tax Levy
GAAP Basis	(\$2,134,832)	\$541,383
<u>Increases (Decreases) Due To</u>		
Revenue Accruals:		
Accrued 2020, Received in Cash 2021	466,594	0
Accrued 2021, Not Yet Received in Cash	(410,288)	23,339
Expenditure Accruals:		
Accrued 2020, Paid in Cash 2021	(314,940)	0
Accrued 2021, Not Yet Paid in Cash	339,832	0
Cash Adjustments:		
Unrecorded Activity 2020	500,573	0
Unrecorded Activity 2021	(77,780)	0
Prepaid Items	5,984	0
Materials and Supplies Inventory	(3,696)	0
Encumbrances Outstanding at Year End (Budget Basis)	(34,110)	0
Budget Basis	(\$1,662,663)	\$564,722

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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 may 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (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;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

Investments

As of December 31, 2021, the City had the following investments:

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	\$217,538	\$217,538	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	9,595,067	2,617,629	1,756,775	3,405,337	1,815,326
Federal Farm Credit Bank Notes	4,565,769	485,072	274,942	1,483,311	2,322,444
Federal Home Loan Bank Notes	4,220,091	0	0	0	4,220,091
Federal Home Loan Mortgage Corporation Notes	1,405,590	0	0	0	1,405,590
Federal National Mortgage Association Notes	5,459,524	0	0	870,515	4,589,009
Federal Agricultural Mortgage Corporation Notes	389,044	0	0	0	389,044
United States Treasury Notes	6,561,322	0	504,025	1,256,655	4,800,642
Total Fair Value - Level Two Inputs	32,196,407	3,102,701	2,535,742	7,015,818	19,542,146

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>	<u>One Year to Two Years</u>	<u>More Than Two Years</u>
Amortized Cost					
Commercial Paper	\$1,649,819	\$1,649,819	\$0	\$0	\$0
Net Value Per Share					
STAR Ohio	5,453,554	5,453,554	0	0	0
Total Investments	<u>\$39,517,318</u>	<u>\$10,423,612</u>	<u>\$2,535,742</u>	<u>\$7,015,818</u>	<u>\$19,542,146</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2021. The City's mutual funds measured at fair value are valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The negotiable certificates of deposit are generally covered by FDIC insurance. The Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Agricultural Mortgage Corporation Notes, United States Treasury Notes, and mutual funds carry a rating of Aaa by Moody's. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy for credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service, that commercial paper mature within two hundred seventy days, and that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The City places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each investment to the City's total portfolio.

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Negotiable Certificates of Deposit	\$9,595,067	24.28%
Federal Farm Credit Bank Notes	4,565,769	11.55
Federal Home Loan Bank Notes	4,220,091	10.68
Federal Home Loan Mortgage Corporation Notes	1,405,590	3.56
Federal National Mortgage Association Notes	5,459,524	13.82
Federal Agricultural Mortgage Corporation Notes	389,044	.98
United States Treasury Notes	6,561,322	16.60
Commercial Paper	1,649,819	4.17

NOTE 7 - RECEIVABLES

Receivables at December 31, 2021, consisted of accounts (billings for user charged services, including unbilled utility services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; interfund; property taxes; payment in lieu of taxes; and notes. All receivables are considered collectible in full and within one year, except for municipal income taxes, property taxes, and notes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable represents a low interest loan for a development project granted to an eligible City business under the Federal Community Development Block Grant program. The loan has an annual interest rate of 2.41 percent and is to be repaid over twenty years. No principal amount was repaid during 2021. Notes outstanding at December 31, 2021, were \$51,031. Notes receivable, in the amount of \$45,886, will not be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Major Funds	
General Fund	
Property Tax Allocation	\$19,948
Local Government	135,619
Bureau of Workers' Compensation	1,155
Mercer County	37,609
Total General Fund	<u>194,331</u>

(continued)

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Major Funds (continued)	
Tax Increment Financing	
Property Tax Allocation	\$14,182
Total Major Funds	208,513
Nonmajor Funds	
Street Construction Maintenance and Repair	
Gasoline Tax	296,246
Motor Vehicle License Tax	150,394
Total Street Construction Maintenance and Repair	446,640
State Highway	
Gasoline Tax	24,020
Motor Vehicle License Tax	12,183
Total State Highway	36,203
Police Pension	
Property Tax Allocation	3,520
Fire Pension	
Property Tax Allocation	3,520
Permissive MVL	
Permissive MVL	2,180
Indigent Driver	
Indigent Driver	603
LWCF Grant Program	
Ohio Department of Natural Resources	197,997
Total Nonmajor Funds	690,663
Total Governmental Activities	\$899,176

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 7 - RECEIVABLES (continued)

	Amount
Business-Type Activities	
Electric	
Mercer County	\$2,728
Bureau of Workers' Compensation	255
Total Electric	2,983
Water	
Mercer County	1,492
Bureau of Workers' Compensation	245
Total Water	1,737
Sewer	
Mercer County	1,492
Bureau of Workers' Compensation	162
Total Sewer	1,654
Total Business-Type Activities	\$6,374

NOTE 8 - MUNICIPAL INCOME TAXES

The City levies and collects an income tax of 1.5 percent based on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the 1 percent of the tax owed. There is no credit allowed on the additional .5 percent tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Of the total income tax collected, 1 percent is credited to the General Fund and .5 percent is credited to the Additional Income Tax special revenue fund and used to fund operations of the police and fire departments as well as for various public right-of-way improvements. The additional .5 percent began collections on January 1, 2016, and will be collected for a period of seven years.

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2021 represent the collection of 2020 taxes. Real property taxes received in 2021 were levied after October 1, 2020, on the assessed values as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 9 - PROPERTY TAXES (continued)

Public utility property tax revenues received in 2021 represent the collection of 2020 taxes. Public utility real and tangible personal property taxes received in 2021 became a lien on December 31, 2019, were levied after October 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Celina. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2021, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2021 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2021, was \$2.30 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

Category	Amount
Real Property	
Residential/Agricultural	\$157,458,610
Commercial/Industrial	36,082,060
Public Utility Property	
Real	26,080
Personal	729,370
Total Assessed Value	\$194,296,120

NOTE 10 - PAYMENT IN LIEU OF TAXES

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may, therefore, spread the costs of the improvements to a larger number of property owners.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$5,707,593	\$0	\$0	\$5,707,593
Land Improvements	8,203,207	0	(13,829)	8,189,378
Construction in Progress	280,033	1,748,421	(1,737,680)	290,774
Total Nondepreciable Capital Assets	<u>14,190,833</u>	<u>1,748,421</u>	<u>(1,751,509)</u>	<u>14,187,745</u>
Depreciable Capital Assets				
Land Improvements	4,159,977	0	0	4,159,977
Buildings	3,999,195	334,028	0	4,333,223
Improvements Other than Buildings	1,430,760	0	0	1,430,760
Streets	19,172,379	1,403,652	0	20,576,031
Furniture and Equipment	1,472,919	421,882	(9,648)	1,885,153
Vehicles	5,718,851	537,937	(299,144)	5,957,644
Total Depreciable Capital Assets	<u>35,954,081</u>	<u>2,697,499</u>	<u>(308,792)</u>	<u>38,342,788</u>
Less Accumulated Depreciation for				
Land Improvements	(934,963)	(157,805)	0	(1,092,768)
Buildings	(688,764)	(121,146)	0	(809,910)
Improvements Other than Buildings	(1,146,533)	(40,304)	0	(1,186,837)
Streets	(11,111,044)	(948,233)	0	(12,059,277)
Furniture and Equipment	(772,216)	(148,606)	7,476	(913,346)
Vehicles	(2,591,887)	(363,667)	137,328	(2,818,226)
Total Accumulated Depreciation	<u>(17,245,407)</u>	<u>(1,779,761)</u>	<u>144,804</u>	<u>(18,880,364)</u>
Total Depreciable Capital Assets, Net	<u>18,708,674</u>	<u>917,738</u>	<u>(163,988)</u>	<u>19,462,424</u>
Governmental Activities Capital Assets, Net	<u>\$32,899,507</u>	<u>\$2,666,159</u>	<u>(\$1,915,497)</u>	<u>\$33,650,169</u>

During 2021, governmental activities received a donation of capital assets, in the amount of \$595,753, from outside sources.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 11 - CAPITAL ASSETS (continued)

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021
Business-Type Activities				
Nondepreciable Capital Assets				
Land	\$368,946	\$0	\$0	\$368,946
Construction in Progress	8,058,857	3,363,738	(11,219,610)	202,985
Total Nondepreciable Capital Assets	<u>8,427,803</u>	<u>3,363,738</u>	<u>(11,219,610)</u>	<u>571,931</u>
Depreciable Capital Assets				
Land Improvements	230,099	0	0	230,099
Buildings	26,208,638	10,872,597	0	37,081,235
Electric, Water, Sewer, and Stormwater Lines	45,919,853	957,543	(192,727)	46,684,669
Furniture and Equipment	1,130,406	82,567	(22,270)	1,190,703
Vehicles	3,616,103	443,648	(91,639)	3,968,112
Total Depreciable Capital Assets	<u>77,105,099</u>	<u>12,356,355</u>	<u>(306,636)</u>	<u>89,154,818</u>
Less Accumulated Depreciation for				
Land Improvements	(132,678)	(11,308)	0	(143,986)
Buildings	(13,498,701)	(1,039,187)	0	(14,537,888)
Electric, Water, Sewer, and Stormwater Lines	(22,611,975)	(1,116,042)	192,727	(23,535,290)
Furniture and Equipment	(683,993)	(89,532)	20,688	(752,837)
Vehicles	(1,665,119)	(217,371)	90,139	(1,792,351)
Total Accumulated Depreciation	<u>(38,592,466)</u>	<u>(2,473,440)</u>	<u>303,554</u>	<u>(40,762,352)</u>
Total Depreciable Capital Assets, Net	<u>38,512,633</u>	<u>9,882,915</u>	<u>(3,082)</u>	<u>48,392,466</u>
Business-Type Activities Capital Assets, Net	<u>\$46,940,436</u>	<u>\$13,246,653</u>	<u>(\$11,222,692)</u>	<u>\$48,964,397</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$369,208
Leisure Time Activities	314,263
Basic Utility Services	1,994
Transportation	1,041,028
General Government	53,268
Total Depreciation Expense - Governmental Activities	<u>\$1,779,761</u>

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2021, the General Fund had an interfund receivable, in the amount of \$74,942; \$27,290 from providing cash flow resources to other governmental funds and \$47,652 from the Electric enterprise fund for the City's portion of the kilowatt hour tax. The entire amount is expected to be repaid within one year.

The Electric enterprise fund had an interfund receivable, in the amount of \$26,914, for services provided by the Electric enterprise fund, in the amount of \$158 to the other governmental funds, in the amount of \$15,316 to the Water enterprise fund, and in the amount of \$11,440 to the Sewer enterprise fund. The entire amount is expected to be repaid within one year.

NOTE 13 - RISK MANAGEMENT

A. 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 2021, the City contracted with the Ohio Plan Risk Management, an insurance purchasing pool, for the following coverage:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Property (building and contents)	\$67,436,631	\$2,500 - \$10,000
General Liability - Aggregate	8,000,000	0
Public Official Liability - Aggregate	8,000,000	5,000
Law Enforcement Liability - Aggregate	8,000,000	5,000
Employee Benefits Liability - Aggregate	8,000,000	0
Automobile Liability	6,000,000	0

There has been no significant reduction in insurance coverage from 2020 and no insurance settlement has exceeded insurance coverage during the last three years.

Each participant of Ohio Plan Risk Management enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant. The firm of Hylant Administrative Services provides administrative, cost control, and actuarial services to the Plan.

B. Employee Medical Benefits

The City currently uses Medical Mutual for health insurance, Eye Med for vision insurance, and Superior Dental Care for dental insurance.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - RISK MANAGEMENT (continued)

C. Workers' Compensation

For 2021, the City participated in the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The intent of the Program is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Program. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Program. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity redistribution" arrangement ensures that each participant shares equally in the overall performance of the Program. Participation in the Program is limited to participants that can meet the Program's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the Program.

NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2021:

<u>Vendor</u>	<u>Outstanding Balance</u>
Birmingham Control Systems	\$92,990
Bob Ross Buick GMC, Inc.	33,292
Brownstown Electrical Supply	26,765
Bruns Construction Enterprise	56,232
Degen Excavating	86,502
Dickman Supply	59,958
Electro Controls, Inc.	25,225
Hazen and Sawyer	71,235
Hohenbrink Excavating	2,319,497
National Water Service	24,250
New River Electrical Corporation	185,980
Pelton Environmental Products	30,000
Reed Power Supply	95,885
Shelly Materials, Inc.	2,838,125
Soloman Corporation	32,700
T&R Electric Supply	27,842
T.R. Miller Mill Company	31,124

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS (continued)

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2022 are as follows:

General Fund	\$34,110
Street Improvement	4,630,768
Other Governmental Funds	174,518
Total	<u>\$4,839,396</u>

NOTE 15 - ASSET RETIREMENT OBLIGATION

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

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

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

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the pension amortization period exceeds thirty 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 health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or 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 as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

Plan Description - 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 administers three separate pension plans. The traditional plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, public safety, and law enforcement divisions. While members in the state and local divisions may participate in all three plans, public safety and law enforcement 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.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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 the OPERS Annual Comprehensive Financial Report referenced above for additional information including requirements for reduced and unreduced benefits.)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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 years	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 years	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 years
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 years	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 years	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 years
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

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.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost of living adjustment.

When a traditional plan benefit recipient has received benefits for twelve months, current law provides 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 COLA is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA 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 plan participants must have attained the age of fifty-five, 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 member's contributions, vested employer contributions, and investment gains or losses resulting from the member's 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 account. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the 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.

Beginning in 2022, the combined plan will be consolidated under the traditional plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Total Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

** This rate is determined by OPERS' Board and has no maximum rate established by the ORC.

*** This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2021, the City's contractually required contribution was \$580,870 for the traditional plan, \$10 for the combined plan, and \$8,936 for the member-directed plan. Of these amounts, \$66,394 is reported as an intergovernmental payable for the traditional plan, \$0 for the combined plan, and \$1,022 for the member-directed plan.

Plan Description - Ohio Police and Fire Pension Fund (OPF)

Plan Description - Full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF 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.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Upon attaining a qualifying age with sufficient years of service, an OPF member may retire and receive a lifetime monthly pension. OPF 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 fifty-two for normal service retirement with at least twenty-five years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is forty-eight for normal service retirement with at least twenty-five 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 twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit. (See the OPF 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 fifty-five years old and have been receiving OPF benefits for at least one year may be eligible for a cost of living allowance adjustment. The age fifty-five provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have fifteen 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 percent of the member's base pension benefit.

The COLA amount for members who have less than fifteen 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 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 1 percent.

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

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2021 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

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

The City's contractually required contribution was \$504,919 for 2021. Of this amount, \$67,781 is reported as an intergovernmental payable.

Pension Liability (Asset) , Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

The net pension liability (asset) for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Proportion of the Net Pension Liability/Asset				
Current Measurement Date	0.02685600%	0.01333100%	0.08945610%	
Prior Measurement Date	0.02695400%	0.01404000%	0.09308470%	
Change in Proportionate Share	<u>0.00009800%</u>	<u>0.00070900%</u>	<u>0.00362860%</u>	
Proportionate Share				
Net Pension Liability	\$3,976,789	\$0	\$6,098,303	\$10,075,092
Net Pension Asset	\$0	\$38,482	\$0	\$38,482
Pension Expense	\$106,679	\$2,349	\$429,247	\$538,275

Pension expense for the member-directed defined contribution plan was \$8,936 for 2021. The aggregate pension expense for all pension plans was \$547,211 for 2021.

At December 31, 2021, 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	OPF	Total
Deferred Outflows of Resources				
Difference Between Expected and Actual Experience	\$0	\$0	\$254,930	\$254,930
Changes of Assumptions	0	2,403	102,272	104,675
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	5,740	9,704	95,009	110,453
City Contributions Subsequent to the Measurement Date	580,870	10	504,919	1,085,799
Total Deferred Outflows of Resources	<u>\$586,610</u>	<u>\$12,117</u>	<u>\$957,130</u>	<u>\$1,555,857</u>
Deferred Inflows of Resources				
Difference Between Expected and Actual Experience	\$166,353	\$7,260	\$237,572	\$411,185
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,550,036	5,723	295,808	1,851,567
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	13,493	0	328,774	342,267
Total Deferred Inflows of Resources	<u>\$1,729,882</u>	<u>\$12,983</u>	<u>\$862,154</u>	<u>\$2,605,019</u>

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

\$1,085,799 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 in the net pension asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

Year Ending December 31,	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
2022	(\$657,548)	(\$1,265)	(\$71,453)	(\$730,266)
2023	(223,344)	(257)	87,343	(136,258)
2024	(631,847)	(1,579)	(328,715)	(962,141)
2025	(211,403)	66	(84,812)	(296,149)
2026	0	880	(12,306)	(11,426)
Thereafter	0	1,279	0	1,279
Total	(\$1,724,142)	(\$876)	(\$409,943)	(\$2,134,961)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	.5 percent simple through 2021, then 2.15 percent simple	.5 percent simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	individual entry age	individual entry age

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013, retirees changing it from 1.4 percent simple through 2020 then 2.15 percent simple to .5 percent simple through 2021 then 2.15 percent simple.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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 arithmetic real rates of return were provided by the Board's investment consultant. Each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
Total	<u>100.00 %</u>	

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

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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 7.2 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 (6.2 percent) or one percentage point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's Proportionate Share of the Net Pension Liability (Asset)			
OPERS Traditional Plan	\$7,585,746	\$3,976,789	\$975,947
OPERS Combined Plan	(\$26,795)	(\$38,482)	(\$47,192)

Changes Between the Measurement Date and the Reporting Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF'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 modification as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI based COLA, investment returns, salary increases, and payroll growth.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum compounded annually consisting of an inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table 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 were adjusted by 120 percent.

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

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table 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, 2016.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2020, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equities	21.00	4.10
Non-U.S. Equities	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income*	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric

* levered 2.5x

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

Discount Rate - The total pension liability was calculated using the discount rate of 8 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 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.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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 8 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 (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City’s Proportionate Share of the Net Pension Liability	\$8,489,618	\$6,098,303	\$4,097,013

NOTE 17 - DEFINED BENEFIT OPEB PLANS

See Note 16 for a description of the net OPEB liability (asset).

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Medicare eligible retirees who choose to become reemployed or survivors who become employed in an OPERS covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and reemployed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit and a minimum age of sixty or generally thirty years of qualifying service credit at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which 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.

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 the 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 and combined plans.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. For 2021, OPERS did not allocate any employer contributions to health care for members in the traditional and combined plans.

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 of the member-directed plan was 4 percent for 2021.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$3,574 for 2021. Of this amount, \$409 is reported as an intergovernmental payable.

Plan Description - Ohio Police and Fire Pension Fund (OPF)

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment 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, OPF implemented a new model for health care. Under this model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OPF 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 OPF is available to these members through a health reimbursement arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OPF health care stipend unless they have access to any other group coverage, including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage, including employer or retirement coverage, they are not eligible for stipend support from OPF. Even if an OPF member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 75.

OPF maintains funds for health care in two separate accounts, one for health care benefits and one for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under an IRS Code Section 115 Trust. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as a percentage of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, 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 contribution for retiree health care benefits. For 2021, the portion of the employer contribution allocated to health care was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OPF 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 OPF was \$11,814 for 2021. Of this amount, \$1,609 is reported as an intergovernmental payable.

OPEB Liability (Asset), OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	0.02584800%	0.08945610%	
Prior Measurement Date	0.02594200%	0.09308470%	
Change in Proportionate Share	<u>0.00009400%</u>	<u>0.00362860%</u>	
Proportionate Share			
Net OPEB Liability	\$0	\$947,803	\$947,803
Net OPEB Asset	\$460,504	\$0	\$460,504
OPEB Expense	(\$3,153,859)	\$107,747	(\$3,046,112)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes of Assumptions	\$226,388	\$523,609	\$749,997
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	103,894	103,894
City Contributions Subsequent to the Measurement Date	3,574	11,814	15,388
Total Deferred Outflows of Resources	<u>\$229,962</u>	<u>\$639,317</u>	<u>\$869,279</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$415,602	\$156,336	\$571,938
Changes of Assumptions	746,153	151,097	897,250
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	245,270	35,222	280,492
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	25,376	35,288	60,664
Total Deferred Inflows of Resources	<u>\$1,432,401</u>	<u>\$377,943</u>	<u>\$1,810,344</u>

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

\$15,388 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 or increase in the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Year Ending December 31,	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2022	(\$638,708)	\$57,806	(\$580,902)
2023	(431,819)	66,147	(365,672)
2024	(106,584)	52,997	(53,587)
2025	(28,902)	54,828	25,926
2026	0	10,495	10,495
Thereafter	0	7,287	7,287
Total	<u>(\$1,206,013)</u>	<u>\$249,560</u>	<u>(\$956,453)</u>

Actuarial Assumptions - OPERS

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

Projections of 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, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	
Current Measurement Date	6 percent
Prior Measurement Date	3.16 percent
Investment Rate of Return	6 percent
Municipal Bond Rate	
Current Measurement Date	2 percent
Prior Measurement Date	2.75 percent
Health Care Cost Trend Rate	
Current Measurement Date	8.5 percent initial
	3.5 percent ultimate in 2035
Prior Measurement Date	10.5 percent initial
	3.5 percent ultimate in 2030
Actuarial Cost Method	individual entry age

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets with the Health Care 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 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 benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. Each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.43
Total	<u>100.00 %</u>	

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Discount Rate - A single discount rate of 6 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 2 percent (Fidelity Index's "Twenty-Year Municipal GO AA Index). The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through 2120; the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB 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 6 percent as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5 percent) or one percentage point higher (7 percent) than the current rate.

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
City's Proportionate Share of the Net OPEB Asset	\$114,507	\$460,504	\$744,939

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using assumed trend rates and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1 percent lower or 1 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 2021 is 8.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.5 percent in the most recent valuation.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Asset	\$471,726	\$460,504	\$447,946

Changes Between the Measurement Date and the Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effect of these changes are unknown.

Actuarial Assumptions - OPF

OPF's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates 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 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 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 effect 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 contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single Discount Rate	
Current Measurement Date	2.96 percent
Prior Measurement Date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table 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 were adjusted by 120 percent.

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

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table 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, 2016.

The OPF 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 16.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020, and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation Twenty Year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to all projected costs through 2037 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 - Net OPEB liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent) or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's Proportionate Share of the Net OPEB Liability	\$1,181,855	\$947,803	\$754,736

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

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 18 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. City employees earn and accumulate vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee’s anniversary date. Employees are paid for 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at various rates as defined by City policy and union contracts. Upon retirement, employees are entitled to the value of their accumulated unused sick leave at varying percentages to a maximum of eighty to one hundred twenty days based on City policy and union contracts.

NOTE 19 - NOTES PAYABLE

The City’s note transactions for the year ended December 31, 2021, were as follows:

	Interest Rate	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021
<u>Governmental Activities</u>					
Direct Placements					
Bond Anticipation Notes					
Land Acquisition	3.35%	\$495,000	\$0	\$495,000	\$0
Total Bond Anticipation Notes		<u>\$495,000</u>	<u>\$0</u>	<u>\$495,000</u>	<u>\$0</u>

According to Ohio law, notes can be issued in anticipation of bond proceeds and levies or for up to 50 percent of anticipated revenue collections. The liability for all notes is presented in the fund receiving the proceeds. The City’s bond anticipation notes are backed by the full faith and credit of the City of Celina.

The bond anticipation notes issued through a direct placement, in the amount of \$495,000, were issued on February 21, 2020, to partially retire notes previously issued to purchase land. The notes matured on February 19, 2021.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2021, was as follows:

	Interest Rate	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
<u>Governmental Activities</u> (continued)						
General Obligation Bonds						
2010 Various Purpose	2 - 4%	\$320,000	\$0	\$50,000	\$270,000	\$50,000
General Obligation Bonds from Direct Placements						
Byson Park Phase Three	4.10	440,000	0	110,000	330,000	110,000
Total General Obligation Bonds		760,000	0	160,000	600,000	160,000
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		2,184,330	0	633,384	1,550,946	0
Ohio Police and Fire Pension Fund		6,270,683	0	172,380	6,098,303	0
Total Net Pension Liability		8,455,013	0	805,764	7,649,249	0
Net OPEB Liability						
Ohio Public Employees Retirement System		1,469,138	0	1,469,138	0	0
Ohio Police and Fire Pension Fund		919,466	28,337	0	947,803	0
Total OPEB Liability		2,388,604	28,337	1,469,138	947,803	0
OPWC Loan Payable from Direct Borrowings	0	79,042	0	10,309	68,733	6,873
Capital Leases Payable		112,673	0	55,003	57,670	57,670
Compensated Absences Payable		487,027	0	93,321	393,706	166,800
Total Other Long-Term Obligations		11,522,359	28,337	2,433,535	9,117,161	231,343
Total Governmental Activities		\$12,282,359	\$28,337	\$2,593,535	\$9,717,161	\$391,343

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
<u>Business-Type Activities</u>						
General Obligation Bonds						
2010 Various Purpose	2 - 4%	\$210,000	0	\$20,000	\$190,000	\$20,000
Mortgage Revenue Bonds						
2011 Wastewater Refunding	2 - 3.4	915,000	0	140,000	775,000	145,000
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		3,143,311	0	717,468	2,425,843	0
Net OPEB Liability						
Ohio Public Employees Retirement System		2,114,126	0	2,114,126	0	0
OPWC Loan Payable from Direct Borrowings	0	120,811	0	36,243	84,568	24,162
OWDA Loans Payable from Direct Borrowings	3.25-4.99	4,919,263	0	455,883	4,463,380	466,968
Capital Loans Payable from Direct Borrowings	3.5	96,328	0	96,328	0	0
Compensated Absences Payable		233,196	0	18,084	215,112	92,842
Total Other Long-Term Obligations		10,627,035	0	3,438,132	7,188,903	583,972
Total Business-Type Activities		\$11,752,035	\$0	\$3,598,132	\$8,153,903	\$748,972

Governmental Activities General Obligation Bonds

In 2010, the City issued general obligation bonds, in the original amount of \$2,830,000, to retire bond anticipation notes issued for recreational, street, water, sewer, and stormwater improvements. These bonds will fully mature in 2030. The bonds will be paid with transfers from the Tax Incremental Financing capital projects fund.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2022 through 2023 (with the balance of \$50,000 to be paid at stated maturity on December 1, 2024), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2022	\$50,000
2023	50,000

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 through 2029 (with the balance of \$15,000 to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2025	\$55,000
2026	10,000
2027	10,000
2028	15,000
2029	15,000

The bonds maturing on or after December 1, 2024, are subject to prior redemption, by and at the sole option of the City, either in whole or in part, on any date on or after December 1, 2020, at par plus accrued interest to the redemption date.

In 2019, the City issued general obligation bonds through a direct placement, in the amount of \$550,000, for improvements to Bryson Park. The bonds will mature on March 8, 2024. The bonds will be paid from the Tax Incremental Financing capital projects fund. At December 31, 2021, the City had \$72,204 in unspent proceeds.

The bonds maturing on March 8, 2024, are subject to mandatory sinking fund redemption, in part by lot, on March 8, in each of the years 2022 through 2023 (with the balance of \$110,000 to be paid at stated maturity on March 8, 2024), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2022	\$110,000
2023	110,000

OPWC Loan Payable

On August 11, 2011, the City obtained an interest free loan from a direct borrowing from the Ohio Public Works Commission, in the original amount of \$137,465, for the construction of Buckeye Street. The loan was issued for a twenty year period, with final maturity in 2031. The loan is to be repaid from the Tax Incremental Financing capital projects fund.

In the event of default on the loan, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that the payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amount shall, at OPWC's option, become immediately due and payable.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

Business-Type Activities General Obligation Bonds

The general obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment to the extent resources are not available from the applicable enterprise fund to make principal and interest payments. The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In 2010, the City issued general obligation bonds, in the original amount of \$500,000, to retire bond anticipation notes issued for water improvements. These bonds will fully mature in 2030. The bonds will be paid from the Water enterprise fund.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2022 through 2023 (with the balance of \$20,000 to be paid at stated maturity on December 1, 2024), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

<u>Year</u>	<u>Amount</u>
2022	\$20,000
2023	20,000

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 through 2029 (with the balance of \$25,000 to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

<u>Year</u>	<u>Amount</u>
2025	\$20,000
2026	20,000
2027	20,000
2028	20,000
2029	25,000

The bonds maturing on or after December 1, 2024, are subject to prior redemption, by and at the sole option of the City, either in whole or in part, on any date on or after December 1, 2020, at par plus accrued interest to the redemption date.

Mortgage Revenue Bonds

Mortgage revenue bonds are special obligations of the City secured by a mortgage upon the assets of the sewer system. The bonds are payable solely from the gross revenues of the system after provisions for reasonable operation and maintenance expenses.

In 2011, the City issued \$3,140,000 in Wastewater Refunding bonds to currently refund 1999 Wastewater Refunding bonds and to provide funds to make various improvements to the City's wastewater system. The refunded bonds were fully retired in 2011.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

The bond indentures have certain restrictive covenants and principally require that bond reserves be maintained and charges for services to customers be sufficient to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties.

Fund assets, whose use are restricted under the bond indenture to improvement and replacement and debt service requirements are presented as restricted assets on the statement of fund net position. These assets are further segregated between those held by the City and those held by the trustee. Restricted assets relating to the mortgage revenue bond issue were as follows as of December 31, 2021:

	Restricted Assets
<u>Restricted Assets held by the City for:</u>	
Revenue Bond Operations and Maintenance	\$354,994
<u>Restricted Assets held by Fiscal Agent for:</u>	
Revenue Bond Future Debt Service	171,072

The bonds maturing on December 1, 2022, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in 2022, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2022	\$145,000

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2023 and 2024, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2023	\$150,000
2024	155,000

The bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 and 2026, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2025	\$160,000
2026	165,000

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

The mortgage revenue bonds will be paid solely from the revenues of the Sewer enterprise fund. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years. The total principal and interest remaining to be paid on the mortgage revenue bonds are \$775,000 and \$77,896 respectively. Principal and interest for the current year and total net revenues were \$168,495 and \$1,624,407, respectively.

OPWC Loan Payable

On August 26, 2002, the City obtained an interest free loan from a direct borrowing from the Ohio Public Works Commission, in the amount of \$483,243, for the construction of a 1.5 million gallon water tower and the installation of a twenty inch water line. The loan is to be repaid from the Water enterprise fund.

In the event of default on the loan, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that the payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amount shall, at OPWC's option, become immediately due and payable.

The OPWC loan will be paid solely from the net revenues of the Water enterprise fund. Annual principal payments on the loan are expected to require less than 100 percent of these net revenues in future years. The total principal remaining on the OPWC loan is \$84,568. Principal for the current year and total net revenues were \$36,243, and \$2,255,081, respectively.

OWDA Loans Payable

On April 11, 2005, the City obtained a loan from a direct borrowing from the Ohio Water Development Authority, in the amount of \$1,878,426, for the design of the granular activated carbon process. On August 13, 2007, the City increased this loan to include the construction of the granular activated carbon process system. The total loan amount was \$8,542,544.

On June 25, 2015, the City obtained a loan from a direct borrowing from the Ohio Water Development Authority, for the construction of an industrial park water tower. The total amount of the loan was \$2,351,631.

In the event of default on the loans, (1) the amount of the 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 thirty 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 OWDA, and (3) for each additional thirty days during which 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 OWDA loans are to be repaid from the net revenues of the Water enterprise fund. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. The total principal and interest remaining on the OWDA loans are \$4,463,380 and \$314,312, respectively. Principal and interest for the current year and total net revenues were \$544,505 and \$2,255,081, respectively.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

Capital Loans Payable

On February 20, 2018, the City entered into loans from direct borrowings for the purchase of vehicles, in the amount of \$56,616 and \$359,126 for business-type activities. The loans have an interest rate of 3.5 percent. The City is paying the loans in equal annual payments over a three and four year period. The loans payable from the Sewer and Stormwater enterprise funds were fully retired during 2021.

Net Pension/OPEB Liability

There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are paid from the General Fund, the Police Pension and Fire Pension special revenue funds, and the Electric, Water, and Sewer enterprise funds. For additional information related to the net pension/OPEB liability, see Notes 16 and 17 to the basic financial statements.

Capital Leases Payable

Capital lease obligations will be paid from the fund that maintains custody of the related asset.

Compensated Absences Payable

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds are the General Fund, the Street Construction Maintenance and Repair and the Parks and Recreation special revenue funds, and the Electric, Water, and Sewer enterprise funds.

The City's legal debt margin was \$19,732,360 at December 31, 2021.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

The following is a summary of the City's future annual debt service requirements for governmental activities:

Year	Governmental Activities				
	General Obligation Bonds		From Direct Placements		From Direct Borrowings
	General Obligation Bonds		General Obligation Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2022	\$50,000	\$10,050	\$110,000	\$11,413	\$6,873
2023	50,000	8,300	110,000	6,840	6,873
2024	50,000	6,550	110,000	2,280	6,873
2025	55,000	4,800	0	0	6,873
2026	10,000	2,600	0	0	6,873
2027-2031	55,000	5,800	0	0	34,368
Total	\$270,000	\$38,100	\$330,000	\$20,533	\$68,733

The City's future annual debt service requirements, including mandatory sinking fund requirements, payable from the business-type activities are as follows:

Year	2010 Various Purpose General Obligation Bonds		Wastewater Refunding Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2022	\$20,000	\$7,300	\$145,000	\$24,645
2023	20,000	6,600	150,000	20,658
2024	20,000	5,900	155,000	15,933
2025	20,000	5,200	160,000	11,050
2026	20,000	4,400	165,000	5,610
2027-2030	90,000	9,400	0	0
	\$190,000	\$38,800	\$775,000	\$77,896

Year	From Direct Borrowings		
	OPWC Loan	OWDA Loans	
	Principal	Principal	Interest
2022	\$24,162	\$466,968	\$78,391
2023	24,162	478,413	67,824
2024	24,162	490,236	56,911
2025	12,082	502,445	45,641
2026	0	515,055	34,001
2027-2031	0	1,422,350	31,544
2032-2036	0	587,913	0
	\$84,568	\$4,463,380	\$314,312

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 21 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into a capitalized lease for a vehicle. Capital lease payments are reflected as function expenditures on a budgetary perspective and as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in 2021 were \$55,003.

	Governmental Activities
Vehicle	\$224,709
Less Accumulated Depreciation	(67,413)
	\$157,296

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2021.

Fiscal Year	Principal
2022	\$57,670

NOTE 22 - FUND BALANCE

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

Fund Balance	General	Additional Income Tax Levy	GO Debt Service	Street Improvement	Tax Increment Financing
Nonspendable for:					
Prepaid Items	\$77,571	\$0	\$0	\$0	\$0
Materials and Supplies					
Inventory	24,016	0	0	0	0
Unclaimed Monies	32,809	0	0	0	0
Cemetery	0	0	0	0	0
Total Nonspendable	134,396	0	0	0	0
Restricted for:					
Street Construction and Maintenance	0	0	0	0	4,025,550
Capital Improvements	0	0	0	0	0
Cemetery	0	0	0	0	0

(continued)

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 22 - FUND BALANCE (continued)

Fund Balance	General	Additional Income Tax Levy	GO Debt Service	Street Improvement	Tax Increment Financing
Restricted for (continued):					
Economic Development and Rehabilitation	\$0	\$0	\$0	\$0	\$0
Economic Recovery	0	0	0	0	0
Police and Fire Operations	0	0	0	0	0
Police and Fire Operations and Street Construction and Maintenance	0	1,822,610	0	0	0
Drug Enforcement	0	0	0	0	0
Court Operations	0	0	0	0	0
Recreation	0	0	0	0	0
Debt Retirement	0	0	32,607	0	0
Total Restricted	0	1,822,610	32,607	0	4,025,550
Committed for:					
Economic Development	300,000	0	0	0	0
Police and Fire Operations	0	0	0	0	0
Recreation	0	0	0	0	0
Street Construction and Maintenance	0	0	0	8,810,581	0
Total Committed	300,000	0	0	8,810,581	0
Assigned for:					
Wellness Program	106,093	0	0	0	0
Unpaid Obligations	30,643	0	0	0	0
Total Assigned	136,736	0	0	0	0
Unassigned (Deficit)	2,375,758	0	0	0	0
Total Fund Balance (Deficit)	\$2,946,890	\$1,822,610	\$32,607	\$8,810,581	\$4,025,550

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 22 - FUND BALANCE (continued)

Fund Balance	Other Governmental	Total Governmental Funds
Nonspendable for:		
Prepaid Items	\$0	\$77,571
Materials and Supplies Inventory	38,308	62,324
Unclaimed Monies	0	32,809
Cemetery	250,000	250,000
Total Nonspendable	288,308	422,704
Restricted for:		
Street Construction and Maintenance	1,271,409	5,296,959
Capital Improvements	132,715	132,715
Cemetery	18,043	18,043
Economic Development and Rehabilitation	142,657	142,657
Economic Recovery	800	800
Police and Fire Operations	60,961	60,961
Police and Fire Operations and Street Construction and Maintenance	0	1,822,610
Drug Enforcement	7,866	7,866
Court Operations	876,544	876,544
Recreation	18	18
Debt Retirement	0	32,607
Total Restricted	2,511,013	8,391,780
Committed for:		
Economic Development	0	300,000
Police and Fire Operations	1,097,148	1,097,148
Recreation	505,994	505,994
Street Construction and Maintenance	0	8,810,581
Total Committed	1,603,142	10,713,723
Assigned for:		
Wellness Program	0	106,093
Unpaid Obligations	0	30,643
Total Assigned	0	136,736
Unassigned (Deficit)	(96,581)	2,279,177
Total Fund Balance (Deficit)	\$4,305,882	\$21,944,120

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 23 - INTERNAL BALANCES AND TRANSFERS

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 government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column related to pension include deferred outflows of resources and deferred inflows of resources, in the amount of \$5,287.

Eliminations made in the business-type activities column related to OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of \$13,713.

Eliminations made in the total column of the government-wide statement of net position related to pension include deferred outflows of resources and deferred inflows of resources, in the amount of \$65,996.

Eliminations made in the total column of the government-wide statement of net position related to OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of \$28,217.

During 2021, the General Fund made transfers to the Tax Increment Financing Fund, the Street Improvement Fund, and other governmental funds, in the amount of \$6,873, \$3,200,000, and \$1,698,250, respectively, to move receipts as debt payments became due and to subsidize various programs in other funds. The Tax Increment Financing Fund made transfers to the GO Debt Service debt service fund and the Water enterprise fund, in the amounts of \$125,948 and \$117,582, respectively, to move receipts as debt payments became due.

NOTE 24 - JOINTLY GOVERNED ORGANIZATIONS

A. Mercer County Community Improvement Corporation

The Mercer County Community Improvement Corporation (Corporation) was designated as an agency of Mercer County for industrial, commercial, distribution, and research development in Mercer County. The seventeen members of the Corporation consist of representatives from the County, the City, and villages within the county, along with additional appointments as established by the bylaws. The Corporation received land in 2013 from the City of Celina, with a value of \$18,300, for the benefit of a company. The Corporation adopts its own budget, authorizes expenditures, hires and fires staff, and currently relies on Mercer County to finance deficits. Financial information can be obtained from the Mercer County Auditor, Courthouse, Celina, Ohio 45822.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 24 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Mercer County Planning Commission

The City participates in the Mercer County Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Mercer County, and the municipalities and townships within the County. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services within the County. Financial information can be obtained from the Mercer County Auditor, Courthouse, Celina, Ohio 45822.

NOTE 25 - INSURANCE PURCHASING POOLS

A. Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program

The City is a participant in the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Program. Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the program.

B. Ohio Plan Risk Management

The City participates in the Ohio Plan Risk Management (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Plan Risk Management, 811 Madison Avenue, 11th Floor, P.O. Box 2083, Toledo, Ohio 43603-2083.

NOTE 26 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the City as defendant.

B. Federal and State Grants

For the period January 1, 2021, to December 31, 2021, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

City of Celina
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 27 - COVID-19

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

The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

City of Celina
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional
 Last Eight Years (1)

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.02685600%	0.02695400%	0.02683200%	0.02621500%
City's Proportionate Share of the Net Pension Liability	\$3,976,789	\$5,327,641	\$7,348,741	\$4,112,626
City's Covered Payroll	\$3,782,507	\$3,791,721	\$3,619,200	\$3,464,223
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	105.14%	140.51%	203.05%	118.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

(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 as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014
0.02574400%	0.02613500%	0.02644500%	0.02644500%
\$5,846,025	\$4,526,912	\$3,189,562	\$3,117,521
\$3,327,958	\$3,252,764	\$3,242,133	\$3,119,438
175.66%	139.17%	98.38%	99.94%
77.25%	81.08%	86.45%	86.36%

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City of Celina
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Asset
 Ohio Public Employees Retirement System - Combined
 Last Four Years (1)

	2021	2020	2019	2018
City's Proportion of the Net Pension Asset	0.01333100%	0.01404000%	0.02081200%	0.02287000%
City's Proportionate Share of the Net Pension Asset	\$38,482	\$29,277	\$23,273	\$31,135
City's Covered Payroll	\$58,750	\$62,500	\$88,857	\$93,662
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	65.50%	46.84%	26.19%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Celina
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Eight Years (1)

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.08945610%	0.09308470%	0.09520500%	0.09417900%
City's Proportionate Share of the Net Pension Liability	\$6,098,303	\$6,270,683	\$7,771,244	\$5,780,190
City's Covered Payroll	\$2,155,056	\$2,195,308	\$2,108,561	\$2,048,843
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	282.98%	285.64%	368.56%	282.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%

(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 as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014
0.09086300%	0.09427600%	0.09363010%	0.09363010%
\$5,755,171	\$6,064,840	\$4,850,430	\$4,560,080
\$1,929,038	\$1,888,076	\$1,832,511	\$2,122,212
298.34%	321.22%	264.69%	214.87%
68.36%	66.77%	71.71%	73.00%

City of Celina
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
 Ohio Public Employees Retirement System
 Last Five Years (1)

	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability (Asset)	0.02584800%	0.02594200%	0.02612700%	0.03686000%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$460,504)	\$3,583,264	\$3,406,343	\$4,002,725
City's Covered Payroll	\$3,909,157	\$3,918,596	\$3,784,107	\$3,614,810
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-11.78%	91.44%	90.02%	110.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%

(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 as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2017

0.02525000%

\$2,550,336

\$3,489,416

73.09%

54.04%

City of Celina
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability
 Ohio Police and Fire Pension Fund
 Last Five Years (1)

	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.08945610%	0.09308470%	0.09520500%	0.09417900%
City's Proportionate Share of the Net OPEB Liability	\$947,803	\$919,466	\$866,987	\$5,336,050
City's Covered Payroll	\$2,155,056	\$2,195,308	\$2,108,561	\$2,048,843
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	43.98%	41.88%	41.12%	260.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.40%	47.08%	46.57%	14.13%

(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 as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2017

0.09086300%

\$4,313,062

\$1,929,038

223.59%

15.96%

City of Celina
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Nine Years (1) (2)

	2021	2020	2019	2018
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$580,870	\$529,551	\$530,841	\$506,688
Contributions in Relation to the Contractually Required Contribution	<u>(580,870)</u>	<u>(529,551)</u>	<u>(530,841)</u>	<u>(506,688)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,149,071	\$3,782,507	\$3,791,721	\$3,619,200
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$10	\$8,225	\$8,750	\$12,440
Contributions in Relation to the Contractually Required Contribution	<u>(10)</u>	<u>(8,225)</u>	<u>(8,750)</u>	<u>(12,440)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$71	\$58,750	\$62,500	\$88,857
Pension Contributions as a Percentage of Covered Payroll	<u>14.08%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$3,574	\$2,716	\$2,575	\$3,042
Contributions in Relation to the Contractually Required Contribution	<u>(3,574)</u>	<u>(2,716)</u>	<u>(2,575)</u>	<u>(3,042)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$4,238,492	\$3,909,157	\$3,918,596	\$3,784,107
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>

(1) Information prior to 2013 is not available.

(2) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014	2013
\$450,349	\$399,355	\$390,331	\$389,056	\$405,527
<u>(450,349)</u>	<u>(399,355)</u>	<u>(390,331)</u>	<u>(389,056)</u>	<u>(405,527)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,464,223	\$3,327,958	\$3,252,764	\$3,242,133	\$3,119,438
<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$12,176	\$12,970	\$8,867	\$8,451	\$7,883
<u>(12,176)</u>	<u>(12,970)</u>	<u>(8,867)</u>	<u>(8,451)</u>	<u>(7,883)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$93,662	\$108,083	\$73,892	\$70,425	\$60,638
<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$37,856	\$70,856			
<u>(37,856)</u>	<u>(70,856)</u>			
<u>\$0</u>	<u>\$0</u>			
\$3,614,810	\$3,489,416			
<u>1.02%</u>	<u>2.04%</u>			

City of Celina
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Years

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	\$504,919	\$461,636	\$467,776	\$449,546
Contributions in Relation to the Contractually Required Contribution	<u>(504,919)</u>	<u>(461,636)</u>	<u>(467,776)</u>	<u>(449,546)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,362,829	\$2,155,056	\$2,195,308	\$2,108,561
Contributions as a Percentage of Covered Payroll	21.37%	21.42%	21.31%	21.32%
Net OPEB Liability				
Contractually Required Contribution	\$11,814	\$10,775	\$10,977	\$10,542
Contributions in Relation to the Contractually Required Contribution	<u>(11,814)</u>	<u>(10,775)</u>	<u>(10,977)</u>	<u>(10,542)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,362,829	\$2,155,056	\$2,195,308	\$2,108,561
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

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

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014	2013	2012
\$435,658	\$411,762	\$403,914	\$391,836	\$387,214	\$273,412
<u>(435,658)</u>	<u>(411,762)</u>	<u>(403,914)</u>	<u>(391,836)</u>	<u>(387,214)</u>	<u>(273,412)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,048,843	\$1,929,038	\$1,888,076	\$1,832,511	\$2,122,212	\$1,815,974
21.26%	21.35%	21.39%	21.38%	18.25%	15.06%
\$10,244	\$9,645	\$9,440	\$9,163	\$76,753	\$122,578
<u>(10,244)</u>	<u>(9,645)</u>	<u>(9,440)</u>	<u>(9,163)</u>	<u>(76,753)</u>	<u>(122,578)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,048,843	\$1,929,038	\$1,888,075	\$1,832,511	\$2,122,212	\$1,815,974
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

City of Celina
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Assumptions - OPERS Pension - Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below.

	<u>2019</u>	<u>2018 and 2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including 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	3 percent simple	3 percent simple	3 percent simple
Post-January 7, 2013	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age	individual entry age

The assumptions related to COLA and Ad Hoc COLA for post-January 7, 2013, retirees are as follows.

2021	.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 percent simple through 2019, then 2.15 percent simple
2016 and prior	3 percent simple through 2018, then 2.8 percent simple

Amounts reported beginning in 2017 use preretirement mortality rates based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were 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 twenty 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.

City of Celina
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Assumptions - OPERS Pension - Combined Plan

For 2021 and 2020, the combined plan had the same change in COLA or Ad Hoc COLA for post-January 7, 2013, retirees as the traditional plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions - OPF Pension

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

Valuation Date	<u>Beginning in 2018</u>	<u>2017 and Prior</u>
	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	individual entry age	individual entry age
Investment Rate of Return	8 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	inflation rate of 2.75 percent plus productivity increase rate of .5 percent	inflation rate of 3.25 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increase based on the lesser of the increase in CPI and 3 percent

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

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

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

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

City of Celina
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP-2000 Combined Table age adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis with a base year of 2009 using Mortality Improvement Scale AA.

Changes in Assumptions - OPERS OPEB

Investment Return Assumption	
Beginning in 2019	6 percent
2018	6.5 percent
Municipal Bond Rate	
2021	2 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate	
2021	6 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate	
2021	8 percent initial 3.5 percent ultimate in 2035
2020	10 percent initial 3.5 percent ultimate in 2030
2019	10 percent initial 3.25 percent ultimate in 2029
2018	7.5 percent initial 3.25 percent ultimate in 2028

Changes in Assumptions - OPF OPEB

Blended Discount Rate	
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms - OPERS OPEB

On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in an effort to decrease costs and increase the solvency of the health care plan. These changes were 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.

City of Celina
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Benefit Terms - OPF OPEB

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

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

City of Celina
Mercer County
225 North Main Street
Celina, Ohio 45822

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Celina, Mercer County, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 12, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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

October 12, 2022



CITY OF CELINA, OHIO

ONE OF THE BEST 100 SMALL TOWNS IN AMERICA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness - 2020 Financial Statements did not present the Street Improvement Fund as a major fund.	Fully Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF CELINA

MERCER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/6/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov