

**CITY OF UHRICHVILLE
TUSCARAWAS COUNTY, OHIO**

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of Uhrichsville
305 East Second Street
Uhrichsville, Ohio 44683

We have reviewed the *Independent Auditor's Report* of the City of Uhrichsville, Tuscarawas County, prepared by Rea & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 18, 2022

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City of Uhrichsville
Tuscarawas County, Ohio
December 31, 2020
Table of Contents

	<i>Page</i>
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Street Fund	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Coronavirus Relief Fund	22
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – EMS Fund	23
Statement of Fund Net Position – Proprietary Fund	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	25
Statement of Cash Flows – Proprietary Fund.....	26
Statement of Fiduciary Net Position – Fiduciary Fund	27
Statement of Changes in Fiduciary Net Position– Fiduciary Fund	28

City of Uhrichsville
Tuscarawas County, Ohio
December 31, 2020
Table of Contents (Continued)

	<i>Page</i>
Notes to the Basic Financial Statements	29
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability	74
Schedule of the City’s Contributions - Pension	76
Schedule of the City’s Proportionate Share of the Net OPEB Liability	79
Schedule of the City’s Contributions - OPEB	80
Notes to the Required Supplementary Information	82
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	84
Schedule of Findings & Responses.....	86
Summary Schedule of Prior Audit Findings.....	89

To the Members of Council,
City of Uhrichsville
Tuscarawas County, Ohio
305 E. Second Street, P.O. Box 288
Uhrichsville, OH 44683

Independent Auditor's Report

Report on 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 Uhrichsville, Tuscarawas County, Ohio (the City) as of and for the year ended December 31, 2020, 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, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Street Fund, Coronavirus Relief Fund and EMS Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
August 29, 2022

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City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The discussion and analysis of the City of Uhrichsville's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position increased \$698,622 which represents a 9 percent increase from 2019. Net position of governmental activities increased \$631,705. Net position of business-type activities increased \$66,917.
- Total capital assets increased \$355,354 during 2020. Capital assets of governmental activities increased \$442,973 and capital assets of business-type activities decreased \$87,619.
- Outstanding debt decreased from \$5,066,548 to \$4,526,080.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2020 and how they affected the operations of the City as a whole.

Reporting the City of Uhrichsville as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column. In the case of the City of Uhrichsville, the general fund is by far the most significant fund. Business-type funds consist of the water park fund.

A question typically asked about the City's finances "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community development, leisure time services and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water park fund is reported as business-type activities.

Reporting the City of Uhrichsville's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, the street fund, the coronavirus relief fund, EMS fund and the capital improvement fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The City of Uhrichsville as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2020 compared to 2019:

Table 1
Net Position

	Governmental Activities			Business-Type Activities		
	2020	2019	Change	2020	2019	Change
Assets						
Current & Other Assets	\$ 4,038,425	\$ 3,851,388	\$ 187,037	\$ 318,558	\$ 495,240	\$ (176,682)
Capital Assets	9,577,410	9,134,437	442,973	3,198,838	3,286,457	(87,619)
<i>Total Assets</i>	<u>13,615,835</u>	<u>12,985,825</u>	<u>630,010</u>	<u>3,517,396</u>	<u>3,781,697</u>	<u>(264,301)</u>
Deferred Outflows of Resources						
Pension & OPEB	920,353	1,431,402	(511,049)	-	-	-
<i>Total Deferred Outflows of Resources</i>	<u>920,353</u>	<u>1,431,402</u>	<u>(511,049)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities						
Current & Other Liabilities	146,465	260,147	(113,682)	23,699	49,830	(26,131)
Long-Term Liabilities:						
Due Within One Year	284,037	251,749	32,288	250,000	300,000	(50,000)
Due In More Than One Year:						
Net Pension Liability	2,972,841	3,645,732	(672,891)	-	-	-
Net OPEB Liability	763,113	711,730	51,383	-	-	-
Other Amounts	1,439,708	1,672,145	(232,437)	2,721,135	3,276,222	2,721,135
<i>Total Liabilities</i>	<u>5,606,164</u>	<u>6,541,503</u>	<u>(935,339)</u>	<u>2,994,834</u>	<u>3,326,052</u>	<u>2,645,004</u>
Deferred Inflows of Resources						
Property Taxes	515,720	521,549	(5,829)	-	-	-
Pension & OPEB	571,185	142,761	428,424	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>1,086,905</u>	<u>664,310</u>	<u>422,595</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Capital Assets	8,228,025	7,412,672	815,353	227,703	10,235	217,468
Restricted	1,991,626	1,819,579	172,047	-	-	-
Unrestricted	(2,376,532)	(2,020,837)	(355,695)	294,859	445,410	(150,551)
<i>Total Net Position</i>	<u>\$ 7,843,119</u>	<u>\$ 7,211,414</u>	<u>\$ 631,705</u>	<u>\$ 522,562</u>	<u>\$ 455,645</u>	<u>\$ 66,917</u>

Collectively, the net pension liability (NPL), reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and the net OPEB liability (NOL), pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are the largest liability reported by the City at December 31, 2020. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

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

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

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

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

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

At year end, capital assets represented 75 percent of total assets. Capital assets include land, buildings and improvements, equipment and machinery, vehicles and infrastructure. Net investment in capital assets was \$8,455,728 at December 31, 2020, with \$8,228,025 in governmental activities and \$227,703 in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. For further analysis refer to Table 3.

For governmental activities, the change reflected in NPL, NOL, and deferred outflows/inflows of resources relating to pension and OPEB are based on estimates at the plan level. For additional details on GASB 68 and 75, see aforementioned discussion.

The City issued a Recreational Facilities Improvement Note to refund the improvement note previously used to finance the water park construction.

A portion of the City's net position, \$1,991,626 represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit of \$2,081,673.

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City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2020 and 2019.

Table 2
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2020	2019	Change	2020	2019	Change
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$ 519,162	\$ 298,639	\$ 220,523	\$ 3,455	\$ 402,027	\$ (398,572)
Operating Grants	901,253	432,612	468,641	-	-	-
Capital Grants	206,588	1,005,787	(799,199)	-	-	-
<i>Total Program Revenues</i>	<u>1,627,003</u>	<u>1,737,038</u>	<u>(110,035)</u>	<u>3,455</u>	<u>402,027</u>	<u>(398,572)</u>
General Revenues						
Property Taxes	575,418	539,373	36,045	-	-	-
Income Taxes	1,992,968	1,944,067	48,901	-	-	-
Grants & Entitlements	218,166	220,470	(2,304)	-	-	-
Miscellaneous	136,901	156,609	(19,708)	230	5,653	(5,423)
<i>Total General Revenues</i>	<u>2,923,453</u>	<u>2,860,519</u>	<u>62,934</u>	<u>230</u>	<u>5,653</u>	<u>(5,423)</u>
<i>Total Revenues</i>	<u>4,550,456</u>	<u>4,597,557</u>	<u>(47,101)</u>	<u>3,685</u>	<u>407,680</u>	<u>(403,995)</u>
Program Expenses						
General Government	771,639	775,809	(4,170)	-	-	-
Security of Persons and Property	2,018,726	282,678	1,736,048	-	-	-
Public Health	89,062	90,871	(1,809)	-	-	-
Leisure Time Activities	27,950	37,312	(9,362)	-	-	-
Community and Economic Development	54,371	23,080	31,291	-	-	-
Transportation	689,648	764,415	(74,767)	-	-	-
Interest and Fiscal Charges	43,355	35,862	7,493	-	-	-
Enterprise Operations						
Water Park	-	-	-	160,768	427,413	(266,645)
<i>Total Expenses</i>	<u>3,694,751</u>	<u>2,010,027</u>	<u>1,684,724</u>	<u>160,768</u>	<u>427,413</u>	<u>(266,645)</u>
Transfers	(224,000)	(300,000)	76,000	224,000	300,000	(76,000)
<i>Total General Revenues and Transfers</i>	<u>2,699,453</u>	<u>2,560,519</u>	<u>138,934</u>	<u>224,230</u>	<u>305,653</u>	<u>(81,423)</u>
<i>Change in Net Position</i>	631,705	2,287,530	(1,655,825)	66,917	280,267	(213,350)
<i>Net Position Beginning of Year</i>	7,211,414	4,923,884	2,287,530	455,645	175,378	280,267
<i>Net Position End of Year</i>	<u>\$ 7,843,119</u>	<u>\$ 7,211,414</u>	<u>\$ 631,705</u>	<u>\$ 522,562</u>	<u>\$ 455,645</u>	<u>\$ 66,917</u>

The City's overall net position increased \$698,622 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, operating/capital grants and charges for services.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding, all expenses in the governmental activities are fully funded. The City monitors its sources of revenues very closely for fluctuations.

The City's income tax is at a rate of 2 percent, increasing from 1.75 percent during 2017 due to an additional voter approved 0.25 percent benefiting the street fund. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 2 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Charges for services increased primarily due to the City providing emergency medical services in 2020 and terminating an agreement with a private service provider.

Operating grants increased primarily due to revenues associated with the CARES Act for coronavirus relief.

Capital grants decreased primarily due to reduced capital contributions received in 2019 from the Ohio Department of Transportation (ODOT) for the Eastport Avenue Phase II project.

Security of persons and property expenditures increased primarily due to changes in the net pension/OPEB liability previously discussed, as well as due to increased expenses related to providing emergency medical services which were previously outsourced.

Business-Type Activities

Business-type activities are limited to the water park operations. The revenues are generated primarily from charges for services. In 2020 charges for services accounted for 94 percent of the business type revenues. Charges for services and total expenses for the water park decreased significantly as a result of the water park closing due to the COVID-19 pandemic. Due to the closure, the water park fund reported a loss which was offset by a transfer in resulting in an increase in net position.

The City's Funds

Governmental Funds

As noted earlier, the City's governmental funds are accounted for using the modified accrual method of accounting. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

The general fund's net change in fund balance for 2020 was an increase of \$111,523. This is due primarily to an increase in other revenues as a result of the Bureau of Workers Compensation (BWC) rebate in addition to decreases in certain expenses paid out of the coronavirus relief fund that are normally paid from the general fund.

The streets fund's net change in fund balance for 2020 was a decrease of \$70,321 due to expenditures outpacing revenues.

The coronavirus relief fund had no fund balance for 2020, as revenues were all expended by year-end.

The EMS fund had an increase in fund balance of \$191,610 due to charges for services exceeding expenditures.

The capital improvement fund's net change in fund balance for 2020 was an increase of \$49,302 primarily due to timing differences between revenues and projects, including debt payments on the related capital projects and transfers to the water park fund.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

Unrestricted net position of the water park fund at the end of the year amounted to \$294,859. The total increase in net position for this fund was \$66,917. Activity in this fund can fluctuate from year to year due to various factors, including the weather and transfers in for debt payments. As a result of the COVID-19 pandemic, the water park closed for the 2020 season.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

Original Budget Compared to Final Budget During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain employee benefits such as pensions and other postemployment benefits. Generally, the movement of the appropriations between departments was not significant.

Final Budget Compared to Actual Results The most significant difference between estimated revenues and actual revenues was an increase in income taxes as receipts were higher than anticipated.

A review of actual expenditures compared to the appropriations in the final budget yields variances primarily in general government and security of persons and property expenditures as cost savings were realized throughout the year.

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal year 2020 balances compared with 2019.

Table 3
Capital Assets at December 31
Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,151,026	\$ 1,151,026	\$ -	\$ -	\$ 1,151,026	\$ 1,151,026
Construction in Progress	1,089,262	991,564	-	-	1,089,262	991,564
Buildings and Improvements	599,545	572,463	3,195,548	3,282,228	3,795,093	3,854,691
Equipment and Machinery	307,896	266,665	3,290	4,229	311,186	270,894
Vehicles	1,479,088	1,301,322	-	-	1,479,088	1,301,322
Infrastructure	4,950,593	4,851,397	-	-	4,950,593	4,851,397
<i>Total</i>	<u>\$ 9,577,410</u>	<u>\$ 9,134,437</u>	<u>\$ 3,198,838</u>	<u>\$ 3,286,457</u>	<u>\$ 12,776,248</u>	<u>\$ 12,420,894</u>

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The increase in capital assets of governmental activities was primarily attributable to additions to construction in progress for capital contributions associated with the Eastport Avenue Phase II project in addition to acquiring an ambulance and street paving. The decrease in capital assets of business-type activities is due to current year depreciation. See Note 8 for additional information about the capital assets of the City.

Debt

Table 4 summarizes outstanding debt. See Note 9 for additional details.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
OWDA Loans	\$ 803,623	\$ 862,090	\$ -	\$ -	\$ 803,623	\$ 862,090
OPWC Loans	306,140	319,165	-	-	306,140	319,165
EMS Loan	87,540	114,467	-	-	87,540	114,467
Police and Fire Pension	205,560	215,679	-	-	205,560	215,679
Lease Purchases	99,762	196,616	-	-	99,762	196,616
Notes Payable	-	-	2,955,000	3,255,000	2,955,000	3,255,000
Unamortized Premium on Note	-	-	16,135	21,222	16,135	21,222
Capital Leases	52,320	82,309	-	-	52,320	82,309
<i>Total</i>	<u>\$ 1,554,945</u>	<u>\$ 1,790,326</u>	<u>\$ 2,971,135</u>	<u>\$ 3,276,222</u>	<u>\$ 4,526,080</u>	<u>\$ 5,066,548</u>

Economic Factors

During 2020, the City continued to monitor monies closely.

- Refinanced the water park debt through the State of Ohio's OMAP program
- Continued paving roads with the additional monies from the income tax for the Street Fund
- Purchased a new EMS vehicle, 2 trucks and a car with Cares Act Funds
- Installed touchless restroom apparatus in various City owned buildings
- Due to the COVID-19 pandemic, the City's water park was closed for the 2020 season
- Cares Act funds were received in the amount of \$505,499
- Assisted local businesses and the school district with grants through the Cares Act fund

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Becky Carpenter, Auditor at the City of Uhrichsville, 305 East 2nd Street, Uhrichsville, Ohio 44683, (740) 922-9344.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 1,839,665	\$ 318,558	\$ 2,158,223
Cash and Investments in Segregated Accounts	206,189	-	206,189
Accounts Receivable	108,471	-	108,471
Intergovernmental Receivable	369,591	-	369,591
Property Taxes Receivable	568,896	-	568,896
Income Taxes Receivable	777,087	-	777,087
Special Assessments Receivable	73,378	-	73,378
Prepaid Items	56,249	-	56,249
Materials and Supplies Inventory	38,899	-	38,899
Non-Depreciable Capital Assets	2,240,288	-	2,240,288
Depreciable Capital Assets, net	7,337,122	3,198,838	10,535,960
<i>Total Assets</i>	<u>13,615,835</u>	<u>3,517,396</u>	<u>17,133,231</u>
Deferred Outflows of Resources			
Pension	537,118	-	537,118
OPEB	383,235	-	383,235
<i>Total Deferred Outflows of Resources</i>	<u>920,353</u>	<u>-</u>	<u>920,353</u>
Liabilities			
Accounts Payable	44,880	386	45,266
Accrued Wages	57,345	-	57,345
Intergovernmental Payable	44,240	1,212	45,452
Accrued Interest Payable	-	22,101	22,101
Long-Term Liabilities:			
Due Within One Year	284,037	250,000	534,037
Due In More Than One Year:			
Net Pension Liability	2,972,841	-	2,972,841
Net OPEB Liability	763,113	-	763,113
Other Amounts Due in More Than One Year	1,439,708	2,721,135	4,160,843
<i>Total Liabilities</i>	<u>5,606,164</u>	<u>2,994,834</u>	<u>8,600,998</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	515,720	-	515,720
Pension	378,702	-	378,702
OPEB	192,483	-	192,483
<i>Total Deferred Inflows of Resources</i>	<u>1,086,905</u>	<u>-</u>	<u>1,086,905</u>
Net Position			
Net Investment in Capital Assets	8,228,025	227,703	8,455,728
Restricted for:			
Capital Outlay	1,057,744	-	1,057,744
Other Purposes	933,882	-	933,882
Unrestricted	(2,376,532)	294,859	(2,081,673)
<i>Total Net Position</i>	<u>\$ 7,843,119</u>	<u>\$ 522,562</u>	<u>\$ 8,365,681</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 771,639	\$ 68,187	\$ 77,202	\$ -	\$ (626,250)	\$ -	\$ (626,250)
Security of Persons and Property	2,018,726	303,023	285,045	62,090	(1,368,568)	-	(1,368,568)
Public Health	89,062	147,952	12,644	46,800	118,334	-	118,334
Leisure Time Services	27,950	-	17,974	-	(9,976)	-	(9,976)
Community Development	54,371	-	66,475	-	12,104	-	12,104
Transportation	689,648	-	441,913	97,698	(150,037)	-	(150,037)
Interest and Fiscal Charges	43,355	-	-	-	(43,355)	-	(43,355)
<i>Total Governmental Activities</i>	<u>3,694,751</u>	<u>519,162</u>	<u>901,253</u>	<u>206,588</u>	<u>(2,067,748)</u>	<u>-</u>	<u>(2,067,748)</u>
Business-Type Activities							
Water Park	160,768	3,455	-	-	-	(157,313)	(157,313)
<i>Total Business-Type Activities</i>	<u>160,768</u>	<u>3,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,313)</u>	<u>(157,313)</u>
<i>Total</i>	<u>\$ 3,855,519</u>	<u>\$ 522,617</u>	<u>\$ 901,253</u>	<u>\$ 206,588</u>	<u>(2,067,748)</u>	<u>(157,313)</u>	<u>(2,225,061)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					296,750	-	296,750
Capital Projects					97,843	-	97,843
Parks and Recreation					26,094	-	26,094
Ambulance					118,849	-	118,849
Police and Fire Pension					35,882	-	35,882
Income Taxes Levied for:							
General Purposes					1,370,165	-	1,370,165
Capital Projects					383,812	-	383,812
Streets					238,991	-	238,991
Grants and Entitlements not Restricted to Specific Programs					218,166	-	218,166
Investment Earnings					4,969	-	4,969
Miscellaneous					131,932	230	132,162
<i>Total General Revenues</i>					<u>2,923,453</u>	<u>230</u>	<u>2,923,683</u>
Transfers					(224,000)	224,000	-
<i>Total General Revenues and Transfers</i>					<u>2,699,453</u>	<u>224,230</u>	<u>2,923,683</u>
<i>Change in Net Position</i>					631,705	66,917	698,622
<i>Net Position Beginning of Year</i>					<u>7,211,414</u>	<u>455,645</u>	<u>7,667,059</u>
<i>Net Position End of Year</i>					<u>\$ 7,843,119</u>	<u>\$ 522,562</u>	<u>\$ 8,365,681</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Balance Sheet
Governmental Funds
December 31, 2020

	General	Street Fund	Coronavirus Relief Fund	EMS Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Investments	\$ 601,427	\$ 162,249	\$ -	\$ 227,015	\$ 290,205	\$ 558,769	\$ 1,839,665
Cash and Investments in Segregated Accounts	-	-	-	-	-	206,189	206,189
Accounts Receivable	3,985	-	-	104,486	-	-	108,471
Intergovernmental Receivable	106,277	148,549	-	7,139	-	107,626	369,591
Property Taxes Receivable	295,936	-	-	114,954	-	158,006	568,896
Income Taxes Receivable	534,247	97,136	-	-	145,704	-	777,087
Special Assessments Receivable	-	-	-	-	-	73,378	73,378
Interfund Receivable	27,761	-	-	-	-	-	27,761
Prepaid Items	56,249	-	-	-	-	-	56,249
Materials and Supplies Inventory	16,733	22,166	-	-	-	-	38,899
<i>Total Assets</i>	<u>\$ 1,642,615</u>	<u>\$ 430,100</u>	<u>\$ -</u>	<u>\$ 453,594</u>	<u>\$ 435,909</u>	<u>\$ 1,103,968</u>	<u>\$ 4,066,186</u>
Liabilities							
Accounts Payable	\$ 32,954	\$ 8,754	\$ -	\$ 295	\$ -	\$ 2,877	\$ 44,880
Accrued Wages	49,147	8,198	-	-	-	-	57,345
Intergovernmental Payable	40,515	3,725	-	-	-	-	44,240
Interfund Payable	-	-	-	-	-	27,761	27,761
<i>Total Liabilities</i>	<u>122,616</u>	<u>20,677</u>	<u>-</u>	<u>295</u>	<u>-</u>	<u>30,638</u>	<u>174,226</u>
Deferred Inflows of Resources							
Property Taxes Levied for the Next Year	268,706	-	-	104,269	-	142,745	515,720
Unavailable Revenue	443,031	154,661	-	17,824	92,371	114,128	822,015
<i>Total Deferred Inflows of Resources</i>	<u>711,737</u>	<u>154,661</u>	<u>-</u>	<u>122,093</u>	<u>92,371</u>	<u>256,873</u>	<u>1,337,735</u>
Fund Balances							
Nonspendable	72,982	22,166	-	-	-	-	95,148
Restricted	-	232,596	-	331,206	343,538	760,952	1,668,292
Committed	-	-	-	-	-	55,733	55,733
Assigned	308,987	-	-	-	-	-	308,987
Unassigned	426,293	-	-	-	-	(228)	426,065
<i>Total Fund Balance</i>	<u>808,262</u>	<u>254,762</u>	<u>-</u>	<u>331,206</u>	<u>343,538</u>	<u>816,457</u>	<u>2,554,225</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,642,615</u>	<u>\$ 430,100</u>	<u>\$ -</u>	<u>\$ 453,594</u>	<u>\$ 435,909</u>	<u>\$ 1,103,968</u>	<u>\$ 4,066,186</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020

Total Governmental Fund Balances		\$ 2,554,225
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,577,410
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 53,176	
Income Tax	492,642	
Intergovernmental	202,819	
Special Assessments	73,378	822,015
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	537,118	
Deferred Outflows - OPEB	383,235	
Net Pension Liability	(2,972,841)	
Net OPEB Liability	(763,113)	
Deferred Inflows - Pension	(378,702)	
Deferred Inflows - OPEB	(192,483)	(3,386,786)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
OPWC Loans	(306,140)	
OWDA Loans	(803,623)	
EMS Loan	(87,540)	
Police and Fire Pension	(205,560)	
Lease Purchase	(99,762)	
Capital Leases	(52,320)	
Compensated Absences	(168,800)	(1,723,745)
<i>Net Position of Governmental Activities</i>		<u>\$ 7,843,119</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	General	Street Fund	Coronavirus Relief Fund	EMS Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$ 300,886	\$ -	\$ -	\$ 120,581	\$ -	\$ 162,047	\$ 583,514
Income Taxes	1,368,608	238,708	-	-	383,387	-	1,990,703
Special Assessments	-	-	-	-	-	132,504	132,504
Charges for Services	21,937	-	-	257,576	-	16,272	295,785
Licenses and Permits	66,947	-	-	-	-	-	66,947
Fines and Forfeitures	8,023	-	-	-	-	455	8,478
Intergovernmental	213,487	299,058	505,499	15,574	-	196,041	1,229,659
Interest	4,969	-	-	-	-	-	4,969
Contributions and Donations	-	-	-	-	-	3,765	3,765
Miscellaneous	104,838	21,794	-	-	-	5,300	131,932
<i>Total Revenues</i>	<u>2,089,695</u>	<u>559,560</u>	<u>505,499</u>	<u>393,731</u>	<u>383,387</u>	<u>516,384</u>	<u>4,448,256</u>
Expenditures							
Current:							
General Government	626,592	-	77,202	-	-	327	704,121
Security of Persons and Property	1,303,339	-	264,528	202,121	-	109,170	1,879,158
Public Health	2,223	-	1,072	-	-	2,758	6,053
Leisure Time Services	-	-	15,905	-	40,000	17,057	72,962
Community Development	-	-	42,943	-	-	11,428	54,371
Transportation	26,838	629,881	103,849	-	-	54,133	814,701
Capital Outlay	-	-	-	-	44,296	67,812	112,108
Debt Service:							
Principal Retirement	10,119	-	-	-	21,757	207,241	239,117
Interest and Fiscal Charges	9,061	-	-	-	4,032	30,262	43,355
<i>Total Expenditures</i>	<u>1,978,172</u>	<u>629,881</u>	<u>505,499</u>	<u>202,121</u>	<u>110,085</u>	<u>500,188</u>	<u>3,925,946</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>111,523</u>	<u>(70,321)</u>	<u>-</u>	<u>191,610</u>	<u>273,302</u>	<u>16,196</u>	<u>522,310</u>
Other Financing Sources (Uses)							
Proceeds of OWDA Loans	-	-	-	-	-	3,736	3,736
Transfers Out	-	-	-	-	(224,000)	-	(224,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,000)</u>	<u>3,736</u>	<u>(220,264)</u>
<i>Net Change in Fund Balances</i>	<u>111,523</u>	<u>(70,321)</u>	<u>-</u>	<u>191,610</u>	<u>49,302</u>	<u>19,932</u>	<u>302,046</u>
<i>Fund Balances Beginning of Year</i>	<u>696,739</u>	<u>325,083</u>	<u>-</u>	<u>139,596</u>	<u>294,236</u>	<u>796,525</u>	<u>2,252,179</u>
<i>Fund Balances End of Year</i>	<u>\$ 808,262</u>	<u>\$ 254,762</u>	<u>\$ -</u>	<u>\$ 331,206</u>	<u>\$ 343,538</u>	<u>\$ 816,457</u>	<u>\$ 2,554,225</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020*

Net Change in Fund Balances - Total Governmental Funds		\$ 302,046
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 794,189	
Current Year Depreciation	<u>(351,216)</u>	442,973
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(8,096)	
Income Tax	2,265	
Intergovernmental	(5,115)	
Special Assessments	<u>15,448</u>	4,502
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
OPWC Loans	13,025	
OWDA Loans	62,203	
EMS Loan	26,927	
Police and Fire Pension	10,119	
Lease Purchase	96,854	
Capital Lease	<u>29,989</u>	239,117
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
OWDA Loans		(3,736)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	208,966	
OPEB	<u>4,415</u>	213,381
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(433,648)	
OPEB	<u>(97,698)</u>	(531,346)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(35,232)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ 631,705</u></u>

See accompanying notes to the basic financial statements..

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 297,500	\$ 297,500	\$ 300,886	\$ 3,386
Income Taxes	1,200,000	1,200,000	1,372,898	172,898
Charges for Services	30,000	30,000	28,720	(1,280)
Licenses and Permits	36,000	36,000	66,947	30,947
Fines and Forfeitures	11,800	11,800	8,023	(3,777)
Intergovernmental	196,399	196,399	212,537	16,138
Investment Income	8,000	8,000	4,969	(3,031)
Rent	10,100	100	-	(100)
Miscellaneous	21,288	30,000	104,838	74,838
<i>Total Revenues</i>	<u>1,811,087</u>	<u>1,809,799</u>	<u>2,099,818</u>	<u>290,019</u>
Expenditures				
Current:				
General Government	710,268	710,768	626,752	84,016
Security of Persons and Property	1,373,700	1,373,790	1,278,881	94,909
Public Health	2,800	2,300	1,723	577
Transportation	40,000	40,000	24,886	15,114
Capital Outlay	1,000	1,000	-	1,000
Debt Service:				
Principal Retirement	10,239	10,149	10,119	30
Interest and Fiscal Charges	9,061	9,061	9,061	-
<i>Total Expenditures</i>	<u>2,147,068</u>	<u>2,147,068</u>	<u>1,951,422</u>	<u>195,646</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(335,981)</u>	<u>(337,269)</u>	<u>148,396</u>	<u>485,665</u>
<i>Net Change in Fund Balance</i>	<u>(335,981)</u>	<u>(337,269)</u>	<u>148,396</u>	<u>485,665</u>
<i>Fund Balance Beginning of Year</i>	<u>480,792</u>	<u>480,792</u>	<u>480,792</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 144,811</u>	<u>\$ 143,523</u>	<u>\$ 629,188</u>	<u>\$ 485,665</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Street Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$ 260,000	\$ 260,000	\$ 239,488	\$ (20,512)
Intergovernmental	239,000	239,000	294,051	55,051
Miscellaneous	1,000	1,000	21,794	20,794
<i>Total Revenues</i>	500,000	500,000	555,333	55,333
Expenditures				
Current:				
Transportation	618,900	668,900	616,848	52,052
<i>Total Expenditures</i>	618,900	668,900	616,848	52,052
<i>Net Change in Fund Balance</i>	(118,900)	(168,900)	(61,515)	107,385
<i>Fund Balance Beginning of Year</i>	223,764	223,764	223,764	-
<i>Fund Balance End of Year</i>	\$ 104,864	\$ 54,864	\$ 162,249	\$ 107,385

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Coronavirus Relief Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 505,499	\$ 505,499	\$ -
Expenditures				
Current:				
General Government	-	77,202	77,202	-
Security of Persons and Property	-	264,528	264,528	-
Public Health	-	1,072	1,072	-
Leisure Time Activities	-	15,905	15,905	-
Community and Economic Development	-	42,943	42,943	-
Transportation	-	103,849	103,849	-
<i>Total Expenditures</i>	-	505,499	505,499	-
<i>Net Change in Fund Balance</i>	-	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
EMS Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 129,500	\$ 129,500	\$ 120,581	\$ (8,919)
Charges for Services	25,000	25,000	153,090	128,090
Intergovernmental	15,000	15,000	15,574	574
<i>Total Revenues</i>	<u>169,500</u>	<u>169,500</u>	<u>289,245</u>	<u>119,745</u>
Expenditures				
Current:				
Security of Persons and Property	309,201	309,201	202,226	106,975
<i>Total Expenditures</i>	<u>309,201</u>	<u>309,201</u>	<u>202,226</u>	<u>106,975</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(139,701)</u>	<u>(139,701)</u>	<u>87,019</u>	<u>226,720</u>
<i>Net Change in Fund Balance</i>	(139,701)	(139,701)	87,019	226,720
<i>Fund Balance Beginning of Year</i>	<u>139,701</u>	<u>139,701</u>	<u>139,701</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,720</u>	<u>\$ 226,720</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2020

	Enterprise Funds
	Water Park
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 318,558
<i>Total Current Assets</i>	318,558
<i>Non-Current Assets:</i>	
Depreciable Capital Assets, Net	3,198,838
<i>Total Non-Current Assets</i>	3,198,838
<i>Total Assets</i>	3,517,396
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	386
Intergovernmental Payable	1,212
Accrued Interest Payable	22,101
Notes Payable	250,000
<i>Total Current Liabilities</i>	273,699
<i>Long-Term Liabilities:</i>	
Notes Payable - Net of Current Portion	2,721,135
<i>Total Liabilities</i>	2,994,834
Net Position	
Net Investment in Capital Assets	227,703
Unrestricted	294,859
<i>Total Net Position</i>	\$ 522,562

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Enterprise
	Water Park
Operating Revenues	
Charges for Services	\$ 3,455
Other	230
<i>Total Operating Revenues</i>	3,685
Operating Expenses	
Personal Services	13,070
Fringe Benefits	72
Contractual Services	386
Depreciation	87,619
<i>Total Operating Expenses</i>	101,147
<i>Operating Income (Loss)</i>	(97,462)
Non-Operating Revenues (Expenses)	
Interest	(59,621)
<i>Income (Loss) Before Transfers</i>	(157,083)
Transfers In	224,000
<i>Change in Net Position</i>	66,917
<i>Net Position Beginning of Year</i>	455,645
<i>Net Position End of Year</i>	\$ 522,562

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Enterprise Funds
	Water Park
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 3,205
Cash Received from Rent	250
Cash Received from Other Operating Receipts	230
Cash Payments to Employees for Services and Benefits	(13,070)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(9,385)</i>
Cash Flows from Capital and Related Financing Activities	
Proceeds of Bond Anticipation Notes	2,955,000
Premium on Debt Issuance	32,269
Transfers In for Capital Debt Retirement	224,000
Principal Payments on Debt	(3,255,000)
Interest Payments on Debt	(123,566)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<i>(167,297)</i>
<i>Net Increase (Decrease) in Cash and Investments</i>	(176,682)
<i>Cash and Investments Beginning of Year</i>	495,240
<i>Cash and Investments End of Year</i>	\$ 318,558
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ (97,462)
Adjustments:	
Depreciation	87,619
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	386
Intergovernmental Payable	72
<i>Net Cash Provided by (Used For) Operating Activities</i>	<i>\$ (9,385)</i>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$ 1,072</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 1,072</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial
Additions	
Amounts Received as Fiscal Agent	\$ -
Deductions	
Distributions as Fiscal Agent	-
<i>Change in Net Position</i>	-
<i>Net Position Beginning of Year</i>	1,072
<i>Net Position End of Year</i>	\$ 1,072

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Uhrichsville (the “City”) is located in Tuscarawas County, Ohio, approximately 40 miles southeast of the City of Canton and has a population of approximately 5,401. The City was incorporated as a Village on August 13, 1866, and began operating as a City on February 21, 1921. The City is a home rule municipal corporation regulated by Article XVIII of the Ohio Constitution and by Title 7 of the Ohio Revised Code. The City operates as a statutory city with the decision making process being directed by an elected eight member City Council and Mayor.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Uhrichsville, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The City's departments include a public safety department, a street maintenance department, a park and recreation department, a planning and zoning department, and staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process. Sewer and water services are provided by the Twin City Water and Sewer District.

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 deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City participates in the Community Improvement Corporation of Tuscarawas County, the Uhrichsville-Dennison-Mill Union Cemetery, the Tuscarawas County Tax Incentive Review Council and a Joint Economic Development District, which are defined as jointly governed organizations, the Twin City Water and Sewer District, which is defined as a joint venture, the Public Entities Pool of Ohio, which is a risk sharing pool and the Ohio Municipal League Group Rating Program, an insurance purchasing pool. These organizations are presented in Notes 16, 17 and 19 to the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government except fiduciary funds. These statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business type activity of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program or business activity 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. Non-major funds are aggregated and presented in a single column.

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. There are three categories of funds utilized by the City: governmental, proprietary and fiduciary.

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

Street Fund The street fund is used to account for grants and income taxes used to maintain and improve roadways within the city.

Coronavirus Relief Fund This fund accounts for federal emergency relief grants related to the Coronavirus (COVID-19) pandemic.

EMS Fund The EMS fund is used to account for financial resources to be used for operations of the emergency medical services department.

Capital Improvement Fund The capital improvement capital projects fund is used to account for financial resources to be used for various capital improvements.

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City's only proprietary fund is an enterprise fund:

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 City has one major enterprise fund.

Water Park Fund This fund accounts for the operations and maintenance of the City's water park.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Custodial funds are used to account for assets held by the City as fiscal agent for the Joint Economic Development District (JEDD), which is used to account for monies held for individuals and organizations for income taxes.

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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that 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 sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On 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 to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and rentals.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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 then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, special assessments, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Investments

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

Investments are reported at fair value, with the exception of nonparticipating investment contracts, such as certificates of deposit and repurchase agreements, which are reported at cost. During 2020, investments were limited to non-negotiable certificates of deposit.

Under existing Ohio statutes, the City has, by resolution, identified the general fund to receive an allocation of interest. Interest revenue credited to the general fund during 2020 amounted to \$4,969, which includes \$3,694 assigned from other City funds.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Investments of the cash management pool and investments with original maturities of three months or less are presented on the financial statements as “equity in pooled cash and investments.” Investments with an original maturity of more than three months that are not made from the pool are reported as “investments.”

The City has segregated bank accounts for monies held separate from the City’s central bank account. These interest bearing depository accounts are presented on the statement of net position and the balance sheet as “cash and investments in segregated accounts” since they are not required to be deposited into the City’s treasury.

F. Inventory

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

G. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 years
Equipment and Machinery	5-25 years
Infrastructure	40 years
Vehicles	15 years

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

During 2004, the City reported general infrastructure assets for the first time which consists of roads and storm sewers. Only general infrastructure assets acquired or improved since 2004 have been reported.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for employees with more than one year of service in the police department and street department when approved.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination payments and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused sick leave benefits time when earned for all employees with more than five years of service.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

J. Pension/Other Postemployment Benefits (OPEB)

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

K. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

L. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the City. The City Council has by resolution authorized the City Auditor to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

M. 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 the water park. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

N. Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Transfers between governmental and business-type activities on the government-wide 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. Interfund payments for services provided and used are not eliminated.

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

O. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. The straight-line method of amortization is not materially different from the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2020.

Q. 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.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

R. Budgetary Process

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

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 and final budgeted amounts on the budgetary statements reflect the amounts on the original and final amended certificate of estimated resources in effect at the time the original and final appropriations were passed by Council.

The appropriation resolution 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 appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general and major special revenue funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a restricted, committed, or assigned fund balance (GAAP).
4. Some funds are included in the general fund, (GAAP basis), but have separate legally adopted budgets (budget basis).

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, street fund, and coronavirus relief fund.

	Net Change in Fund Balance			
	General	Street	Coronavirus Relief	EMS
GAAP Basis	\$ 111,523	\$ (70,321)	\$ -	\$ 191,610
Net Adjustment for Revenue Accruals	10,123	(4,227)	-	(104,486)
Net Adjustment for Expenditure Accruals	26,750	13,033	-	(105)
Budget Basis	<u>\$ 148,396</u>	<u>\$ (61,515)</u>	<u>\$ -</u>	<u>\$ 87,019</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into two categories, active and inactive.

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and any other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Bankers' acceptances and commercial paper for a period not to exceed one hundred eighty days and two hundred and seventy days, respectively, 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.

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand - At December 31, 2020 the City had \$165 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

Segregated Cash - The CHIP grant fund and a portion of the storm sewer assessment fund are maintained separately from the City's deposits. The carrying amount of the deposits is reported as "Cash and Investments in Segregated Accounts."

Deposits - At year-end, \$2,078,225 of the City's bank balance of \$2,578,225 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

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

NOTE 5 – RECEIVABLES

Receivables at December 31, 2020, consisted primarily of taxes, accounts (billings for user charged services), special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except property taxes, special assessments, and loans, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

NOTE 6 – PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of the 2019 taxes.

2020 real property taxes were levied after October 1, 2020 on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

The full tax rate for all City operations for the year ended December 31, 2020, was \$11.75 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 60,947,560
Public Utilities - Real	52,410
Public Utilities - Personal	2,840,710
Total Assessed Value	\$ 63,840,680

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2020, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2020 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 7 – INCOME TAX

The City levies a municipal income tax of 2.0 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City, which is an increase of 0.25 percent for the street fund effective July 1, 2017. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit up to the full amount owed for taxes paid to other municipalities.

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

The City’s income tax of 2.0 percent is comprised of 1 percent credited to the general fund, 0.75 percent equally distributed between the general fund and capital improvement fund, and 0.25 percent credited to the street fund. The 0.25 percent is voted income tax restricted for road paving, road construction, and road maintenance.

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets during 2020 follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 1,151,026	\$ -	\$ -	\$ 1,151,026
Construction in Progress	991,564	97,698	-	1,089,262
<i>Total Capital Assets, Not Being Depreciated</i>	<u>2,142,590</u>	<u>97,698</u>	<u>-</u>	<u>2,240,288</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	795,672	48,194	-	843,866
Equipment and Machinery	807,625	86,684	-	894,309
Vehicles	1,993,001	296,272	-	2,289,273
Infrastructure:				
Storm Sewers	3,117,570	-	-	3,117,570
Roads	3,395,588	265,341	-	3,660,929
<i>Total Capital Assets, Being Depreciated</i>	<u>10,109,456</u>	<u>696,491</u>	<u>-</u>	<u>10,805,947</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(223,209)	(21,112)	-	(244,321)
Equipment and Machinery	(540,960)	(45,453)	-	(586,413)
Vehicles	(691,679)	(118,506)	-	(810,185)
Infrastructure:				
Storm Sewers	(696,477)	(77,939)	-	(774,416)
Roads	(965,284)	(88,206)	-	(1,053,490)
<i>Total Accumulated Depreciation</i>	<u>(3,117,609)</u>	<u>(351,216)</u>	<u>-</u>	<u>(3,468,825)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>6,991,847</u>	<u>345,275</u>	<u>-</u>	<u>7,337,122</u>
<i>Total Governmental Activity Capital Assets, Net</i>	<u>\$ 9,134,437</u>	<u>\$ 442,973</u>	<u>\$ -</u>	<u>\$ 9,577,410</u>

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 14,140
Security of Persons and Property	121,457
Transportation	135,268
Public Health Services	77,939
Leisure Time Services	2,412
Total Depreciation Expense	\$ 351,216

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Business-Type Activities:				
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	\$4,276,981	\$ -	\$ -	\$4,276,981
Equipment and Machinery	38,961	-	-	38,961
<i>Total Capital Assets, Being Depreciated</i>	4,315,942	-	-	4,315,942
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(994,753)	(86,680)	-	(1,081,433)
Equipment and Machinery	(34,732)	(939)	-	(35,671)
<i>Total Accumulated Depreciation</i>	(1,029,485)	(87,619)	-	(1,117,104)
<i>Total Business-Type Capital Assets, Net</i>	\$3,286,457	\$ (87,619)	\$ -	\$3,198,838

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations of the City during the year ended December 31, 2020, were as follows:

	Restated Balance 12/31/2019	Additions	(Reductions)	Balance 12/31/2020	Due in One Year
Governmental Activities:					
<i>Direct Borrowings:</i>					
Newport Area Storm Sewer OPWC Loan	\$ 169,825	\$ -	\$ (7,384)	\$ 162,441	\$ 14,767
Newport Area Storm Sewer OWDA Loan	137,397	-	(16,581)	120,816	16,747
East 2nd Street Storm Sewer OPWC Loan	54,625	-	(2,375)	52,250	4,750
East 2nd Street Storm Sewer OWDA Loan	82,029	-	(7,447)	74,582	7,522
West Side Storm Sewer OWDA Loan	285,362	-	(20,661)	264,701	20,868
West Side Storm Sewer OPWC Loan	94,715	-	(3,266)	91,449	6,532
Eastport Avenue Storm Sewer OWDA Loan	240,085	-	(11,643)	228,442	11,918
Eastport Avenue Phase 2 OWDA Loan	117,217	3,736	(5,871)	115,082	5,871
EMS Loan	114,467	-	(26,927)	87,540	28,055
Fire Truck Lease Purchase	156,575	-	(77,115)	79,460	79,460
Dump Truck Lease Purchase	40,041	-	(19,739)	20,302	20,302
<i>Total Direct Borrowings</i>	<u>1,492,338</u>	<u>3,736</u>	<u>(199,009)</u>	<u>1,297,065</u>	<u>216,792</u>
<i>Other Long-Term Obligations:</i>					
Police and Fire Pension	215,679	-	(10,119)	205,560	10,554
Net Pension Liability	3,645,732	-	(672,891)	2,972,841	-
Net OPEB Liability	711,730	51,383	-	763,113	-
Compensated Absences	133,568	55,396	(20,164)	168,800	35,830
Capital Leases	82,309	-	(29,989)	52,320	20,861
<i>Total Other Long-Term Obligations</i>	<u>4,789,018</u>	<u>106,779</u>	<u>(733,163)</u>	<u>4,162,634</u>	<u>67,245</u>
<i>Total Governmental Activities</i>	<u>\$ 6,281,356</u>	<u>\$ 110,515</u>	<u>\$ (932,172)</u>	<u>\$ 5,459,699</u>	<u>\$ 284,037</u>
Business-Type Activities:					
<i>Direct Borrowings:</i>					
Recreational Facilities Improvement Bond Anticipation Note	\$ 3,255,000	\$ 2,955,000	\$(3,255,000)	\$ 2,955,000	\$ 250,000
Unamortized Premium on Note	21,222	32,269	(37,356)	16,135	-
	<u>\$ 3,276,222</u>	<u>\$ 2,987,269</u>	<u>\$(3,292,356)</u>	<u>\$ 2,971,135</u>	<u>\$ 250,000</u>

Governmental Activities

In 2010, the City finalized a loan with the Ohio Public Works Commission (OPWC) for the Newport area storm sewer project in the amount of \$295,347. The City pays no interest on this loan and it will be fully repaid in 2031. This loan will be paid from the storm sewer assessment fund.

In 2007, the City was awarded a loan from the Ohio Water Development Authority (OWDA) in the amount of \$323,990 for the Newport area storm sewer improvement project. The loan has an interest rate of 1 percent and will be fully repaid in 2028. This loan will be paid from the storm sewer assessment fund.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

In 2010, the City was awarded a loan from OPWC in the amount of \$95,000 for the East Second Street storm sewer improvement project. The loan is interest free and matures in 2031. This loan will be paid from the storm sewer assessment fund.

In 2011, the City was awarded a loan from the OWDA in the amount of \$149,191 for the East Second Street area storm sewer improvement project. The loan has an interest rate of 1 percent and will be fully repaid in 2030. This loan will be paid from the storm sewer assessment fund.

In 2011, the City was awarded a loan from OWDA in the amount of \$424,360 for the West Side storm sewer improvement project. The loan has an interest rate of 1 percent and will be fully repaid in 2033. This loan will be paid from the storm sewer assessment fund.

In 2013, the City was awarded a loan from OPWC in the amount of \$130,641 for the West Side storm sewer improvement project. The loan is interest free and will be fully repaid in 2034. This loan will be paid from the storm sewer assessment fund.

In 2015, the City was awarded a loan from OWDA in the amount of \$273,432 for the Eastport Avenue storm sewer improvement project phase 1. The loan has an interest rate of 2.06 to 2.46 percent and will be fully repaid in 2036. This loan will be paid from the storm sewer assessment fund.

In 2018, the City was awarded a loan from OWDA in the amount of \$126,823 for the Eastport Avenue storm sewer improvement project phase 2. The loan has an interest rate of 3.39 percent. This loan will be paid from the storm sewer assessment fund. The City began making payments in 2019; however, no amortization schedule is available. Therefore, it has been excluded from the schedule below.

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the City Auditor to pay the amounts due from funds appropriated to the City's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the City to pay any fines or penalties incurred with interest.

In 2019, the City entered into a loan agreement with the First Federal Community Bank for the purchase of a new ambulance in the amount of \$114,467. The loan carries an interest rate of 4.19 percent and a maturity date of July 10, 2023. The loan will be paid from the EMS/fire truck levy funds. In the event of default, as defined by the loan agreement, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due.

In 2017, the City entered into a lease-purchase agreement for the acquisition of a dump truck in the amount of \$98,558. The lease carries an interest rate of 2.75 percent and a maturity date of March 20, 2021. The lease will be paid from the storm sewer assessment fund. In the event of default, as defined by the lease agreement, the Lessor has the right to exercise all rights and remedies, including the rights to declare all sums due during the current fiscal period and/or take possession of the dump truck.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

In 2017, the City entered into a lease-purchase agreement for the acquisition of a fire ladder truck in the amount of \$801,321. The lease carries an interest rate of 3.04 percent and a maturity date of June 15, 2021. The lease will be paid from the fire truck levy fund. In the event of default, as defined by the lease agreement, the Lessor has the right to exercise all rights and remedies, including the rights to declare all sums due during the current fiscal period and/or take possession of the fire ladder truck.

The police and fire pension liability will be paid from taxes received in the general fund. The City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967.

Compensated absences will be paid from the general and street funds. There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and street fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2020, are as follows:

Governmental Activities							
	OWDA Loans		OPWC Loans	EMS Loan		Fire Truck	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2021	\$ 57,055	\$ 9,639	\$ 26,049	\$ 28,055	\$ 3,668	\$ 79,460	\$ 2,416
2022	57,790	8,902	26,049	29,230	2,492	-	-
2023	58,534	8,154	26,049	30,255	1,268	-	-
2024	59,289	7,546	26,049	-	-	-	-
2025	60,057	6,778	26,049	-	-	-	-
2026-2030	253,684	22,629	130,245	-	-	-	-
2031-2035	125,220	10,415	45,650	-	-	-	-
2036	16,912	299	-	-	-	-	-
Total	\$ 688,541	\$ 74,362	\$ 306,140	\$ 87,540	\$ 7,428	\$ 79,460	\$ 2,416

Governmental Activities						
	Dump Truck		Police and Fire Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 20,302	\$ 538	\$ 10,554	\$ 8,626	\$ 221,475	\$ 24,887
2022	-	-	11,008	8,172	124,077	19,566
2023	-	-	11,480	7,699	126,318	17,121
2024	-	-	11,974	7,206	97,312	14,752
2025	-	-	12,488	6,692	98,594	13,470
2026-2030	-	-	70,960	24,941	454,889	47,570
2031-2035	-	-	77,096	8,350	247,966	18,765
2036	-	-	-	-	16,912	299
Total	\$ 20,302	\$ 538	\$ 205,560	\$ 71,686	\$ 1,387,543	\$ 156,430

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Business-Type Activities

On June 20, 2019, the City issued a Recreational Facilities Improvement Note in the amount of \$3,255,000 to refund the improvement note previously used to finance the water park construction. The note matured in June 2020 and had an interest rate of 3.0 percent and was paid from the water park enterprise fund with user charges to the extent monies were available. Additional monies were transferred in from the capital improvement fund as needed.

On June 18, 2020, the City issued a Recreational Facilities Improvement Note in the amount of \$2,955,000 to refund the improvement note previously used to finance the water park construction. The note matures in June 2021 and has an interest rate of 1.5 percent and will be paid from the water park enterprise fund with user charges to the extent monies are available. Additional monies will be transferred in from the capital improvement fund as needed.

NOTE 10 – CAPITAL LEASES PAYABLE

In 2017, the City entered into a capitalized lease for the acquisition of a police cruiser. This lease meets the criteria of a capital lease as it transfers benefits and risks of ownership to the lessee.

The police cruiser acquired by the lease has been capitalized in the governmental activities in the amount of \$40,138, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$9,366 as of December 31, 2020, leaving a current book value of \$30,772. A corresponding liability is recorded and is reduced for each required principal payment. This lease will be paid from the capital improvement fund.

In 2019, the City entered into capitalized lease agreements for the acquisition of a Chevrolet Silverado and a Chevrolet Tahoe. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

The Silverado acquired by the lease has been capitalized in the governmental activities in the amount of \$34,879, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$3,444 as of December 31, 2020, leaving a current book value of \$31,435. A corresponding liability is recorded and is reduced for each required principal payment. This lease will be paid from the street fund.

The Tahoe acquired by the lease has been capitalized in the governmental activities in the amount of \$51,515, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$5,152 as of December 31, 2020, leaving a current book value of \$46,363. A corresponding liability is recorded and is reduced for each required principal payment. This lease will be paid from the capital improvement fund.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020:

		Governmental Activities	
			Capital Leases
Year ending December 31,	2021	\$	24,069
	2022		24,071
	2023		9,575
Minimum lease payments			57,715
Less: amount representing interest at the City's incremental borrowing rate of interest			(5,395)
Present value of net minimum lease payments		\$	52,320

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of property and casualty losses, and injuries to employees.

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2020, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2020 and 2019:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

	2020	2019
Assets	\$ 57,336,499	\$ 54,973,597
Liabilities	(16,156,805)	(16,440,940)
Net Position	\$ 41,179,694	\$ 38,532,657

At December 31, 2020 and 2019, respectively, the liabilities above include approximately \$14.1 million and \$14.7 million of estimated incurred claims payable. The assets above also include approximately \$13.5 million and \$13.7 million of unpaid claims to be billed. The Pool's membership increased to 571 members in 2020. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2020, the City's share of these unpaid claims collectible in future years is approximately \$64,304.

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

Contributions to PEP

2019	\$ 66,390
2020	68,408

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

The City participates in the Ohio Municipal League Group Rating Plan (OML) for workers' compensation. The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OML. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OML. Each participant pays its workers' compensation premium to the State based on the rate for the OML rather than its individual rate. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the OML.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are components of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions and OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR 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
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The 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.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

When a benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.00 %
Post-Employment Health Care Benefits	0.00 %
Total Employer	14.00 %
Employee	10.00 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$20,599 for 2020. Of this amount, \$4,127 is reported as an intergovernmental payable.

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

	Police	Firefighters
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-Employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$188,367 for 2020. Of this amount, \$10,579 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2020, the specific liability of the City was \$205,560 payable in semi-annual payments through the year 2035.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.002798%	0.035921%	
Prior Measurement Period	0.002853%	0.035091%	
Change in Proportion	-0.000055%	0.000830%	
Proportionate Share of the Net			
Pension Liability	\$ 553,044	\$ 2,419,797	\$ 2,972,841
Pension Expense	\$ 83,697	\$ 349,951	\$ 433,648

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ -	\$ 91,599	\$ 91,599
Changes of Assumptions	29,539	59,400	88,939
Changes in Proportionate Share	1,730	145,884	147,614
City Contributions Subsequent			
to the Measurement Date	20,599	188,367	208,966
Total Deferred Outflows of Resources	\$ 51,868	\$ 485,250	\$ 537,118
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 6,992	\$ 124,800	\$ 131,792
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	110,320	116,893	227,213
Changes in Proportionate Share	7,246	12,451	19,697
Total Deferred Inflows of Resources	\$ 124,558	\$ 254,144	\$ 378,702

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

\$208,966 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 in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ (15,834)	\$ 12,783	\$ (3,051)
2022	(38,217)	36,227	(1,990)
2023	4,567	90,881	95,448
2024	(43,805)	(90,326)	(134,131)
2025	-	(6,826)	(6,826)
	<u>\$ (93,289)</u>	<u>\$ 42,739</u>	<u>\$ (50,550)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019 are presented below.

<u>Actuarial Information</u>	<u>Traditional Pension Plan</u>
Wage Inflation	3.25 percent
Future Salary Increases, including wage inflation	3.25 percent to 10.75 percent (including wage inflation)
Investment Rate of Return	
Current Measurement Date	7.20 percent
Prior Measurement Date	7.20 percent
Actuarial Cost Method	Individual Entry Age
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00 percent Simple Post-1/7/2013 Retirees: 1.40 percent Simple through 2020, then 2.15 percent Simple

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Pre-retirement mortality rates are 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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are 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. Post-retirement mortality rates for disabled retirees are 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 are 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.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

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. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other Investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.20 percent) or one-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 912,148	\$ 553,044	\$ 230,219

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent
Cost-of-Living Adjustments	3.00 percent simple; 2.20 percent simple for increases based on the lesser of the increase in CPI and 3.00 percent

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

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

Age	Police	Fire
59 or less	35 %	35 %
60-69	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 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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.10 %	1.00 %
Domestic Equity	16.00	3.90	5.40
Non-U.S. Equity	16.00	4.70	5.80
Private Markets	8.00	6.10	8.00
Core Fixed Income*	23.00	1.10	2.70
High Yield Fixed Income	7.00	2.50	4.70
Private Credit	5.00	4.80	5.50
U.S. Inflation Linked Bonds*	17.00	0.40	2.50
Midstream Energy Infrastructure	8.00	5.80	6.60
Real Assets	8.00	6.90	7.40
Private Real Estate	12.00	5.40	6.40
Total	120.00 %		

Note: Assumptions are geometric.

* Levered 2x

** Numbers are net of expected inflation

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 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 8.00 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 8.00 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 3,353,754	\$ 2,419,797	\$ 1,638,634

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual 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. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City had no contractually required contribution for 2020.

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

A retiree is eligible for the OP&F 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 OP&F. Even if an OP&F 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 OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$4,415 for 2020. Of this amount, \$246 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 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 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 Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Period	0.002956%	0.035921%	
Prior Measurement Period	0.003008%	0.035091%	
Change in Proportion	<u>-0.000052%</u>	<u>0.000830%</u>	
Proportionate Share of the Net			
OPEB Liability	\$ 408,300	\$ 354,813	\$ 763,113
OPEB Expense	\$ 40,966	\$ 56,732	\$ 97,698

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ 10	\$ -	\$ 10
Changes of Assumptions	64,630	207,438	272,068
Changes in Proportionate Share	1,202	105,540	106,742
City Contributions Subsequent to the Measurement Date	-	4,415	4,415
Total Deferred Outflows of Resources	<u>\$ 65,842</u>	<u>\$ 317,393</u>	<u>\$ 383,235</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 37,341	\$ 38,155	\$ 75,496
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	20,791	16,328	37,119
Changes of Assumptions	-	75,616	75,616
Changes in Proportionate Share	4,252	-	4,252
Total Deferred Inflows of Resources	<u>\$ 62,384</u>	<u>\$ 130,099</u>	<u>\$ 192,483</u>

\$4,415 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ 8,990	\$ 34,403	\$ 43,393
2022	3,337	34,402	37,739
2023	15	37,753	37,768
2024	(8,884)	32,470	23,586
2025	-	34,051	34,051
Thereafter	-	9,800	9,800
	<u>\$ 3,458</u>	<u>\$ 182,879</u>	<u>\$ 186,337</u>

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 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, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, Including Inflation	3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent)
Single Discount Rate:	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.71 percent
Health Care Cost Trend Rate	
Current Measurement Date	10.50 percent, initial, 3.50 percent ultimate in 2030
Prior Measurement Date	10.00 percent, initial, 3.25 percent ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are 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. Post-retirement mortality rates are 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. Post-retirement mortality rates for disabled retirees are 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 are 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.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trusts	6.00	5.69
International Equities	23.00	7.66
Other Investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 534,327	\$ 408,300	\$ 307,394

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 396,252	\$ 408,300	\$ 420,195

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of 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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent
Investment Rate of Return	
Current Measurement Date	8.00 percent
Prior Measurement Date	8.00 percent
Single Discount Rate:	
Current Measurement Date	3.56 percent
Prior Measurement Date	4.66 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	4.13 percent
Cost of Living Adjustments	3.00 percent simple; 2.20 percent simple for increases based on the lessor of the increase in CPI and 3.00 percent

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged 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. The target asset allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.10 %	1.00 %
Domestic Equity	16.00	3.90	5.40
Non-U.S. Equity	16.00	4.70	5.80
Private Markets	8.00	6.10	8.00
Core Fixed Income*	23.00	1.10	2.70
High Yield Fixed Income	7.00	2.50	4.70
Private Credit	5.00	4.80	5.50
U.S. Inflation Linked Bonds*	17.00	0.40	2.50
Midstream Energy Infrastructure	8.00	5.80	6.60
Real Assets	8.00	6.90	7.40
Private Real Estate	12.00	5.40	6.40
Total	120.00 %		

Note: Assumptions are geometric.

* Levered 2x

** Numbers are net of expected inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, 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 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 439,945	\$ 354,813	\$ 284,074

NOTE 14 – OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn three to six weeks of vacation per year depending on length of service. Employees may use accumulated vacation after the completion of one year of service with the City. Upon termination of service, an employee is entitled to receive payment for any unused vacation time plus accrued vacation time earned during the year but not yet credited to vacation leave balance.

Employees earn sick leave at a rate of 4.6 hours per eighty hours of service. Unused sick leave accumulates without limit. Upon retirement or death, street employees with five years of service but less than ten years of service can be paid one-fourth of the outstanding sick leave accumulation up to a maximum payment of \$13,500. Street employees with more than ten years of service can be paid one-half of the outstanding sick leave accumulation up to a maximum payment of \$27,000. Upon retirement or death, firefighters with five years of service but less than ten years of service can be paid one day's pay for every four days of accumulated sick leave, not to exceed payment of 1,080 hours. Firefighters with more than ten years of service can be paid one day's pay for every two days of accumulated sick leave, not to exceed payment of 2,160 hours. Police employees with five years of service but less than ten years of service can be paid one-third of the outstanding sick leave accumulation up to a maximum payment of 60 days. Police employees with more than ten years of service can be paid on-half of the outstanding sick leave accumulation up to a maximum payment of 120 days.

B. Health Insurance

The City provides medical/surgical benefits and prescription drug coverage to employees through Aultcare. Dental insurance is provided by the City for employees through Delta Dental. Vision insurance is provided by the City for employees through Vision Service Plan. The premiums vary with employee depending on the terms of their contracts.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

C. Life and Accidental Death and Dismemberment Insurance

The City provides life insurance and accidental death and dismemberment insurance to all eligible full-time union firefighters in the amounts of \$27,500 and \$22,500, respectively; to all eligible full-time union police employees in the amounts of \$25,000 and \$25,000, respectively, and to all eligible full-time non-union employees in the amounts of \$25,000 and \$25,000, respectively, through the Standard Life Insurance Company.

NOTE 15 – CONTINGENCIES

Grants

The City received financial assistance from State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2020.

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

A. Community Improvement Corporation of Tuscarawas County (Corporation)

The sole purpose of the Corporation is to advance, encourage and promote the industrial, economic, commercial and civic development of the area. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugar Creek and Gnadenuhuten. It is controlled by 25 trustees consisting of the three County Commissioners, the mayor of each participating city and fifteen elected trustees. The board exercises total control over the operations of the Corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. During 2020, no monies were contributed by the City.

B. Uhrichsville-Dennison-Mill Union Cemetery (Cemetery)

The Cemetery is a jointly governed organization organized under Ohio Revised Code Section 759.27, and is directed by an appointed three-member board. Uhrichsville, Dennison and Union Township each appoint one member to the board. The continued existence of the Cemetery is not dependent on the City's participation. The Cemetery provides burial services and the upkeep of the grounds at the cemetery. During 2020, no monies were contributed by the City.

C. Tuscarawas County Tax Incentive Review Council (TCTIRC)

TCTIRC was created as a regional council of governments pursuant to State statutes. TCTIRC has 48 participants, consisting of 3 members appointed by the County Commissioners, 18 members appointed by municipal corporations, 16 members appointed by township trustees, 1 member from the County Auditor's Office and 10 members appointed by boards of education located within the County. The TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. The body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

TCTIRC can make written recommendations to the legislative body that approved the agreement. There is no cost associated with being a member of the TCTIRC. The continued existence of the TCTIRC is not dependent upon the City's continued participation and no measurable equity interest exists.

The City does not retain an on-going financial interest or an ongoing financial responsibility with this organization. During 2020, no monies were contributed by the City.

D. Joint Economic Development District (JEDD)

(JEDD) is a not for profit community improvement Corporation formed under Chapter 715.72 through 715.83 of the Ohio Revised Code. The JEDD was formed in 2013 and was designated as the economic development agent for the City of Uhrichsville and Rush Township. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the Township, the City and the District served. The JEDD is administered by a Board of locally appointed officials and local business leaders.

NOTE 17 – JOINT VENTURE

Twin City Water and Sewer District (District)

The District is a joint venture organized under Ohio Revised Code Section 6119.01, and is established to supply water and to provide for the collection, treatment and disposal of waste water within the Uhrichsville-Dennison district, or beyond with additional fees. The cities of Uhrichsville and Dennison each appoint two of the five District's board members. The fifth board member is appointed by the other four board members. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. During 2020, no monies were received from the City.

NOTE 18 – FUND BALANCE

Fund balance can be 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.

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The constraints placed on fund balance for the major governmental funds and all other funds are presented as follows:

	General Fund	Street Fund	Coronavirus Relief Fund	EMS Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable for:							
Materials and Supplies Inventory	\$ 16,733	\$ 22,166	\$ -	\$ -	\$ -	\$ -	\$ 38,899
Prepaid Items	<u>56,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,249</u>
Total Nonspendable	<u>72,982</u>	<u>22,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,148</u>
Restricted for:							
Capital Outlay	-	-	-	-	343,538	532,473	876,011
Street	-	232,596	-	-	-	10,618	243,214
Community Development	-	-	-	-	-	83,950	83,950
Parks and Recreation	-	-	-	-	-	58,497	58,497
Emergency Medical Services	-	-	-	331,206	-	-	331,206
Police and Fire Pension	-	-	-	-	-	20,016	20,016
Other Purposes	-	-	-	-	-	55,398	55,398
Total Restricted	<u>-</u>	<u>232,596</u>	<u>-</u>	<u>331,206</u>	<u>343,538</u>	<u>760,952</u>	<u>1,668,292</u>
Committed for:							
Police and Fire							
Uniforms and Equipment	-	-	-	-	-	55,733	55,733
Assigned for:							
Subsequent Year Appropriations	<u>308,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,987</u>
Unassigned	<u>426,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(228) *</u>	<u>426,065</u>
Total Fund Balance	<u>\$ 808,262</u>	<u>\$ 254,762</u>	<u>\$ -</u>	<u>\$ 331,206</u>	<u>\$ 343,538</u>	<u>\$ 816,457</u>	<u>\$ 2,554,225</u>

* Fund balance at December 31, 2020 included a deficit balance of \$228 in the AFG grant fund.

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

NOTE 19 – PUBLIC ENTITY RISK POOLS

A. Risk Sharing Pool

The Public Entities Pool of Ohio (the Pool) is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven member board of directors; six are member representatives or elected officials and one is a representative of the pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors. Participation in the Pool is by written application subject to the terms of the pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a sixty day written notice prior to the annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6797 North High Street, Suite 131, Worthington, Ohio 43085.

B. Insurance Purchasing Pool

The City is a participant in the Ohio Municipal League Group Rating Program (OML), an insurance purchasing pool for workers' compensation. The OML's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators,

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

NOTE 20 – INTERFUND TRANSACTIONS

A. Interfund Transfers

The capital improvement fund transferred \$224,000 to the water park fund for debt payments.

B. Interfund Balances

Interfund balances for the year ended December 31, 2020 consisted of the following, as reported on the fund financial statements:

	<u>Interfund Payable</u>
	Non Major
	Governmental
	Funds
<u>Interfund Receivable</u>	
General Fund	\$ 27,761

The primary purpose of the interfund loans is to cover costs in specific funds where revenues were not received by December 31. These interfund loans will be repaid once the anticipated revenues are received. All interfund loans are expected to be repaid within one year.

NOTE 21 – COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. In addition, the impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the City received CARES Act funding. Of the amounts received, \$42,943 was sub-granted to other governments and organizations. These amounts are reflected as community development expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 22 – SUBSEQUENT EVENT

Historically, the City annually refinances the Water Park debt into a recreational facilities improvement note in June each year. The City issued a recreational facilities improvement note on June 16, 2021 to refinance \$2,705,000 of Water Park debt. The note was issued with an interest rate of 1.25 percent and matures on June 15, 2022.

City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
City's Proportion of the Net Pension Liability	0.002798%	0.002853%	0.002821%	0.002920%
City's Proportionate Share of the Net Pension Liability	\$ 553,044	\$ 781,379	\$ 442,553	\$ 663,019
City's Covered Payroll	\$ 393,607	\$ 385,357	\$ 372,793	\$ 377,433
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.51%	202.77%	118.71%	175.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
City's Proportion of the Net Pension Liability	0.035921%	0.035091%	0.032692%	0.032297%
City's Proportionate Share of the Net Pension Liability	\$ 2,419,797	\$ 2,864,353	\$ 2,006,469	\$ 2,045,682
City's Covered Payroll	\$ 863,628	\$ 778,858	\$ 712,042	\$ 693,250
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.19%	367.76%	281.79%	295.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

	<u>2016</u>		<u>2015</u>		<u>2014</u>
	0.002583%		0.002590%		0.002590%
\$	447,408	\$	312,383	\$	305,327
\$	340,300	\$	317,450	\$	241,531
	131.47%		98.40%		126.41%
	81.08%		86.45%		86.36%
	0.032226%		0.033533%		0.033533%
\$	2,073,121	\$	1,737,134	\$	1,633,148
\$	650,321	\$	667,957	\$	745,448
	318.78%		260.07%		219.08%
	66.77%		72.20%		73.00%

See accompanying notes to the required supplementary information.

City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - Pension
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ 20,599	\$ 55,105	\$ 53,950	\$ 48,463
Contributions in Relation to the Contractually Required Contribution	<u>(20,599)</u>	<u>(55,105)</u>	<u>(53,950)</u>	<u>(48,463)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 147,136	\$ 393,607	\$ 385,357	\$ 372,793
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
Contractually Required Contribution	\$ 188,367	\$ 182,949	\$ 165,669	\$ 151,161
Contributions in Relation to the Contractually Required Contribution	<u>(188,367)</u>	<u>(182,949)</u>	<u>(165,669)</u>	<u>(151,161)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 882,909	\$ 863,628	\$ 778,858	\$ 712,042
Contributions as a Percentage of Covered Payroll	21.33%	21.18%	21.27%	21.23%

(n/a) Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 45,292	\$ 40,836	\$ 38,094	\$ 31,399	n/a	n/a
<u>(45,292)</u>	<u>(40,836)</u>	<u>(38,094)</u>	<u>(31,399)</u>	n/a	n/a
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	n/a	n/a
\$ 377,433	\$ 340,300	\$ 317,450	\$ 241,531	n/a	n/a
12.00%	12.00%	12.00%	13.00%	n/a	n/a
\$ 146,992	\$ 138,254	\$ 140,332	\$ 133,078	\$ 126,697	\$ 109,611
<u>(146,992)</u>	<u>(138,254)</u>	<u>(140,332)</u>	<u>(133,078)</u>	<u>(126,697)</u>	<u>(109,611)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 693,250	\$ 650,321	\$ 667,957	\$ 745,448	\$ 865,130	\$ 729,994
21.20%	21.26%	21.01%	17.85%	14.64%	15.02%

See accompanying notes to the required supplementary information.

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City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Last Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
City's Proportion of the Net OPEB Liability	0.002956%	0.003008%	0.002976%	0.003081%
City's Proportionate Share of the Net OPEB Liability	\$ 408,300	\$ 392,172	\$ 323,117	\$ 311,191
City's Covered Payroll	\$ 393,607	\$ 385,357	\$ 372,793	\$ 377,433
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	103.73%	101.77%	86.67%	82.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
City's Proportion of the Net OPEB Liability	0.035921%	0.035091%	0.032692%	0.032297%
City's Proportionate Share of the Net OPEB Liability	\$ 354,813	\$ 319,558	\$ 1,852,294	\$ 1,533,066
City's Covered Payroll	\$ 863,628	\$ 778,858	\$ 712,042	\$ 693,250
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.08%	41.03%	260.14%	221.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - OPEB
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ 3,728
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,728)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (1)	\$ 147,136	\$ 393,607	\$ 385,357	\$ 372,793
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	1.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
Contractually Required Contribution	\$ 4,415	\$ 4,318	\$ 3,894	\$ 3,560
Contributions in Relation to the Contractually Required Contribution	<u>(4,415)</u>	<u>(4,318)</u>	<u>(4,318)</u>	<u>(3,560)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 882,909	\$ 863,628	\$ 778,858	\$ 712,042
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.60%	0.50%

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

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	7,549	n/a	n/a	n/a	n/a	n/a
	<u>(7,549)</u>	n/a	n/a	n/a	n/a	n/a
\$	<u>-</u>	n/a	n/a	n/a	n/a	n/a
\$	377,433	n/a	n/a	n/a	n/a	n/a
	2.00%	n/a	n/a	n/a	n/a	n/a
\$	3,466	\$ 3,252	\$ 3,760	\$ 19,293	\$ 39,778	\$ 49,274
	<u>(3,466)</u>	<u>(3,252)</u>	<u>(3,760)</u>	<u>(19,293)</u>	<u>(39,778)</u>	<u>(49,274)</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	693,250	\$ 650,321	\$ 667,957	\$ 745,448	\$ 865,130	\$ 729,994
	0.50%	0.50%	0.60%	2.59%	4.60%	6.75%

See accompanying notes to the required supplementary information.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

For calendar year 2019, the single discount rate changed from 7.50 percent to 7.20 percent.

Amounts reported in calendar year 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00 percent to 7.50 percent
- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

Changes in Benefit Terms – OPERS

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 percent simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – OP&F

For calendar year 2018, the single discount rate changed from 8.25 percent to 8.00 percent.

Changes in Benefit Terms – OP&F

No significant changes in benefit terms.

NOTE 2 - NET OPEB LIABILITY

Changes in Assumptions - OPERS

For calendar year 2020, the following changes were made to the actuarial assumptions:

- Discount rate from 3.96 percent to 3.16 percent
- Municipal bond rate from 3.71 percent to 2.75 percent
- Health Care Cost Trend Rate from 10.00 percent to 10.50 percent

For calendar year 2019, the following changes were made to the actuarial assumptions:

- Discount rate from 3.85 percent to 3.96 percent
- Investment rate of return from 6.50 percent to 6.00 percent
- Municipal bond rate from 3.31 percent to 3.71 percent
- Health Care Cost Trend Rate from 7.50 percent to 10.00 percent

For calendar year 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Benefit Terms – OPERS

No significant changes in benefit terms.

Changes in Assumptions – OP&F

For calendar year 2020, the single discount rate decreased from 4.66 percent to 3.56 percent and the municipal bond rate from 4.13 percent to 2.75 percent.

For calendar year 2019, the discount rate increased from 3.24 percent to 4.66 percent and the municipal bond rate from 3.16 percent to 4.13 percent.

For calendar year 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

To the Members of Council
City of Uhrichsville
Tuscarawas County, Ohio
305 E. Second Street, P.O. Box 288
Uhrichsville, OH 44683

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Uhrichsville, Tuscarawas County, Ohio (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 29, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Responses* as items 2020-001, 2020-002 and 2020-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

The City's Response to Findings

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

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
August 29, 2022

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses
December 31, 2020

Finding Number: 2020-001

Material Weakness – Internal Controls over Financial Reporting

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. AU-C 265 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client’s internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, AU-C 265 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Condition: There were material audit adjustments and reclassifications made to the financial statements presented for audit. Misstatements identified during the audit and posted to the financial statements presented for audit include:

- Income tax revenues and cash were understated in the Capital Improvement Fund and overstated in the Street Fund by \$11,131 due to a posting error.
- Intergovernmental receivables and intergovernmental revenues were overstated by the following amounts;
 - General Fund \$58,337
 - Street Fund \$84,152
 - Permissive Fund \$15,152
- Intergovernmental receivables were overstated by \$21,723 in the AFG COVID Grant Fund which resulted in an overstatement of intergovernmental revenues of \$5,718 and deferred inflows of resources of \$16,005.
- Accounts receivable and charges for services in the EMS Fund were understated by \$104,486 as outstanding billed charges were not accounted for.

Cause: The design of internal controls does not include provisions for departments to review actual transactions to the general ledger. The internal controls over the final review of the financial statements did not identify potential misstatements.

Effect: The financial statements presented for audit contained material misstatements.

Recommendation: To ensure the City’s financial statements and notes to the financial statements are complete and accurate, the City should adopt policies and procedures, including a final review of the statements and notes by the City Auditor to identify and correct errors and omissions. We further recommend management implement procedures to ensure receipts and disbursements are posted to the proper funds and line item classification within the funds to accurately report the nature of the transaction.

Management’s Response: Procedures have been put in place to facilitate the accurate presentation of the financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses (Continued)
December 31, 2020

Finding Number: 2020 – 002

Material Weakness – Payroll

Criteria: Payroll is the largest expense incurred by the City. The City’s management is responsible for designing, implementing and maintaining sound internal controls over the payroll process to ensure that payroll is for actual time worked and to ensure that payroll is paid from the fund for which the work was performed.

Condition: During our review of internal controls over the payroll process and payroll testing we noted the following issues;

- Inconsistent supervisory approval of timecards and leave requests.
- Lack of segregation of duties in the payroll process. The City Auditor processes payroll with very little oversight or monitoring. We did not note anything improper in our testing but lack of proper monitoring controls increases risk for errors or improper payments.
- We noted the City does not have any sick and vacation leave policies that detail when, or if, balances will be paid out as well as when balances can be rolled over into the subsequent year. The City operates in accordance with negotiated agreements but there can be confusion in regards to employees not covered by a negotiated agreement.
- Inadequate internal control procedures over review of pay rates in the system to ensure all employees are paid at the correct rate.

Cause: The factors that resulted in the control failures were a lack of oversight and authorization over the payroll process.

Effect: This could cause inaccurate reporting of time to go undetected which could lead to errors in the payroll process. Without proper controls over pay rates entered into the system there is also an increased risk that an employee could be paid an incorrect amount.

Recommendation: We recommend the City re-evaluate the design, implementation and maintenance of internal controls over the payroll process. Internal controls should be sufficient to ensure that payroll expenses are for actual time work and at the correct rate. Evidence should be maintained to support supervisory approval.

Management’s Response: The payroll process will be revised to address deficiencies. Management will be informed of the importance of internal controls and their role in the process. We will continue to work on developing the necessary policies.

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses (Continued)
December 31, 2020

Finding Number: 2020 – 003

Material Weakness – Purchasing Policies and Procedures

Criteria: The purchasing policies and procedures adopted by the City regarding the purchasing of goods and services include preparing a requisition for purchased goods or services, receipting and providing evidence the goods were received in acceptable condition or services were satisfactorily rendered, and obtaining proper authorization of the invoice for payment.

Condition: While obtaining an understanding of the disbursement process, we noted the procedures were not consistently followed by all departments. During our walkthrough procedures, we identified multiple payments made without the required evidence that goods or services were received and no authorization of the invoice for payment was documented. We also noted instances in which payments were processed without approved requisitions or purchase orders.

Cause: The City has accepted verbal authorization for payment of invoices; however, no formal documentation is retained in accordance with the purchasing policy. There were also times when payments were made without following the formal purchase requisition/purchase order process due to time constraints, or documentation was misplaced to support the approval process.

Effect: The lack of accountability for purchasing approval at the City increases the risk of fraud, misappropriation of goods or services, and the risk of misstatement of the financial statements due to error and/or fraud.

Recommendation: We recommend the City ensure all City personnel are aware of the City's purchasing policies and procedures. This will allow management to improve enforcement of a uniform policy. We further recommend management review the purchasing process to identify and develop procedures to minimize risks relating to unauthorized purchases.

Management's Response: We will continue to train our employees on the importance of adhering to the established procedures for disbursements. All personnel will be informed of the procedures in place and the expectation to follow them.

City of Uhrichsville
Tuscarawas County, Ohio
Summary Schedule of Prior Audit Findings
December 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Significant Deficiency – Internal Control - Payroll	Not corrected.	

**CITY OF UHRICHVILLE
TUSCARAWAS COUNTY, OHIO**

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**



Rea & associates

www.reacpa.com

City of Uhrichsville
Tuscarawas County, Ohio
December 31, 2021
Table of Contents

	<i>Page</i>
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis)– General Fund	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis)– Street Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis)– EMS Fund	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis)– American Rescue Plan Act Fund	26
Statement of Fund Net Position – Proprietary Fund	27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	28
Statement of Cash Flows – Proprietary Fund.....	29
Statement of Fiduciary Net Position – Fiduciary Fund	30
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	31

City of Uhrichsville
Tuscarawas County, Ohio
December 31, 2021
Table of Contents (Continued)

	<i>Page</i>
Notes to the Basic Financial Statements	33
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability	82
Schedule of the City’s Contributions - Pension	84
Schedule of the City’s Proportionate Share of the Net OPEB Liability/(Asset)	87
Schedule of the City’s Contributions - OPEB	88
Notes to the Required Supplementary Information	90
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	92
Schedule of Findings & Responses.....	94
Summary Schedule of Prior Audit Findings	98

To the Members of Council,
City of Uhrichsville
Tuscarawas County, Ohio
305 E. Second Street, P.O. Box 288
Uhrichsville, OH 44683

Independent Auditor's Report

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 Uhrichsville, Tuscarawas 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, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Street Fund, EMS Fund, and American Rescue Plan Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
August 29, 2022

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City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

The discussion and analysis of the City of Uhrichsville's (the "City") financial performance provides an overall review 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 performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased \$802,746 from 2020. Net position of governmental activities increased \$584,900. Net position of business-type activities increased \$217,846.
- Current & other assets of governmental activities increased \$587,963 from 2020.
- Current & other liabilities of governmental activities increased \$296,434 from 2020.
- Liabilities of business activities decreased by \$255,369 from 2020. The City paid bond anticipation notes of \$2,955,000 and issued new bond anticipation notes of \$2,705,000 in 2021.
- OPERS approved several changes to the health care plan offered to retirees in an effort to decrease costs and increase the solvency of the health care plan. These changes significantly decreased the total OPEB liability for OPERS and resulted in the City reporting a net OPEB asset in 2021 (compared to reporting a net OPEB liability in prior years) causing a significant decrease in expenses.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2021 and how they affected the operations of the City as a whole.

Reporting the City of Uhrichsville as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column. In the case of the City of Uhrichsville, the general fund is by far the most significant fund. Business-type funds consist of the water park fund.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

A question typically asked about the City's finances "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community development, leisure time services and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water park fund is reported as business-type activities.

Reporting the City of Uhrichsville's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, the street fund, EMS fund, storm sewer assessment fund, the American Rescue Plan Act fund and the fire truck levy fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The City of Uhrichsville as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2021 compared to 2020:

Table 1
Net Position

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
Assets						
Current & Other Assets	\$ 4,626,288	\$ 4,038,425	\$ 587,863	\$ 368,655	\$ 318,558	\$ 50,097
Net OPEB Asset	38,340	-	38,340	-	-	-
Capital Assets	9,716,029	9,577,410	138,619	3,111,218	3,198,838	(87,620)
<i>Total Assets</i>	<u>14,380,657</u>	<u>13,615,835</u>	<u>764,822</u>	<u>3,479,873</u>	<u>3,517,396</u>	<u>(37,523)</u>
Deferred Outflows of Resources						
Pension & OPEB	1,040,757	920,353	120,404	-	-	-
<i>Total Deferred Outflows of Resources</i>	<u>1,040,757</u>	<u>920,353</u>	<u>120,404</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities						
Current & Other Liabilities	442,899	146,465	296,434	19,383	23,699	(4,316)
Long-Term Liabilities:						
Due Within One Year	268,410	284,037	(15,627)	280,082	250,000	30,082
Due In More Than One Year:						
Net Pension Liability	2,918,464	2,972,841	(54,377)	-	-	-
Net OPEB Liability	409,102	763,113	(354,011)	-	-	-
Other Amounts	1,608,858	1,439,708	169,150	2,440,000	2,721,135	(281,135)
<i>Total Liabilities</i>	<u>5,647,733</u>	<u>5,606,164</u>	<u>41,569</u>	<u>2,739,465</u>	<u>2,994,834</u>	<u>(255,369)</u>
Deferred Inflows of Resources						
Property Taxes	546,192	515,720	30,472	-	-	-
Pension & OPEB	799,470	571,185	228,285	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>1,345,662</u>	<u>1,086,905</u>	<u>258,757</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Capital Assets	8,207,375	8,228,025	(20,650)	391,137	227,703	163,434
Restricted	2,102,893	1,991,626	111,267	-	-	-
Unrestricted	(1,882,249)	(2,376,532)	494,283	349,271	294,859	54,412
<i>Total Net Position</i>	<u>\$ 8,428,019</u>	<u>\$ 7,843,119</u>	<u>\$ 584,900</u>	<u>\$ 740,408</u>	<u>\$ 522,562</u>	<u>\$ 217,846</u>

Collectively, the net pension liability (NPL), reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and the net OPEB liability (NOL), pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are the largest liability reported by the City at December 31, 2021. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

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

Capital assets include land, buildings and improvements, equipment and machinery, vehicles and infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

For governmental activities, the change reflected in net pension liability, net OPEB liability, and deferred outflows/inflows of resources relating to pension and OPEB are based on estimates at the plan level. For additional details on GASB 68 and 75, see aforementioned discussion.

The addition of a net OPEB asset, significant decrease in net OPEB liability and increase in deferred inflows for OPEB is related to OPERS changes previously discussed in the financial highlights.

The City issued a Recreational Facilities Improvement Note to repay the improvement note previously used to finance the water park construction.

Increases in current and other assets, as well as current liabilities, are primarily due to unspent state and local fiscal recovery monies received as part of the American Rescue Plan.

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City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2021 and 2020.

Table 2
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$ 518,659	\$ 519,162	\$ (503)	\$ 352,763	\$ 3,455	\$ 349,308
Operating Grants	437,184	901,253	(464,069)	-	-	-
Capital Grants	202,108	206,588	(4,480)	-	-	-
<i>Total Program Revenues</i>	1,157,951	1,627,003	(469,052)	352,763	3,455	349,308
General Revenues						
Property Taxes	607,307	575,418	31,889	-	-	-
Income Taxes	2,035,484	1,992,968	42,516	-	-	-
Grants & Entitlements	258,718	218,166	40,552	-	-	-
Miscellaneous	28,766	136,901	(108,135)	15,968	230	15,738
<i>Total General Revenues</i>	2,930,275	2,923,453	6,822	15,968	230	15,738
<i>Total Revenues</i>	4,088,226	4,550,456	(462,230)	368,731	3,685	365,046
Program Expenses						
General Government	468,510	771,639	(303,129)	-	-	-
Security of Persons and Property	1,827,464	2,018,726	(191,262)	-	-	-
Public Health	250,997	89,062	161,935	-	-	-
Leisure Time Activities	89,250	27,950	61,300	-	-	-
Community and Economic Development	21,278	54,371	(33,093)	-	-	-
Transportation	496,923	689,648	(192,725)	-	-	-
Intergovernmental	18,500	-	18,500	-	-	-
Interest and Fiscal Charges	30,404	43,355	(12,951)	-	-	-
Enterprise Operations						
Water Park	-	-	-	450,885	160,768	290,117
<i>Total Expenses</i>	3,203,326	3,694,751	(491,425)	450,885	160,768	290,117
Transfers	(300,000)	(224,000)	(76,000)	300,000	224,000	76,000
<i>Total General Revenues and Transfers</i>	2,630,275	2,757,790	(69,178)	315,968	224,230	91,738
<i>Change in Net Position</i>	584,900	631,705	(46,805)	217,846	66,917	150,929
<i>Net Position Beginning of Year</i>	7,843,119	7,211,414	631,705	522,562	455,645	66,917
<i>Net Position End of Year</i>	\$ 8,428,019	\$ 7,843,119	\$ 584,900	\$ 740,408	\$ 522,562	\$ 217,846

The City's overall net position increased from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, operating/capital grants and charges for services.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding, all expenses in the governmental activities are fully funded. The City monitors its sources of revenues very closely for fluctuations.

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

The City's income tax is at a rate of 2 percent, increasing from 1.75 percent during 2017 due to an additional voter approved 0.25 percent benefiting the street fund. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 2 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

Operating grants decreased primarily due to revenues associated with the CARES Act for coronavirus relief that were received in 2020 that were only slightly offset by the receipt of ARPA funds in 2021.

Public health expenditures increased primarily due to storm sewer projects.

See financial highlights for explanation of significant decrease in expenses.

Business-Type Activities

Business-type activities are limited to the water park operations. The revenues are generated primarily from charges for services. In 2021 charges for services accounted for 96 percent of the business type revenues. Charges for services and total expenses for the water park increased significantly in 2021 as a result of the water park closing in 2020 due to the COVID-19 pandemic.

The City's Funds

Governmental Funds

As noted earlier, the City's governmental funds are accounted for using the modified accrual method of accounting. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

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City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020.

	Fund Balance 12/31/2021	Fund Balance 12/31/2020	Increase (Decrease)
General	\$ 949,969	\$ 808,262	\$ 141,707
Street	403,883	254,762	149,121
EMS	470,092	331,206	138,886
Storm Sewer Assessment	43,750	256,820	(213,070)
American Rescue Plan Act	-	-	-
Fire Truck Levy	243,091	275,653	(32,562)
Other Governmental	722,290	627,522	94,768
Total	\$ 2,833,075	\$ 2,554,225	\$ 278,850

The general fund is the chief operating fund of the City. The fund balance of the general fund increased primarily due to increases in income tax revenues and a decrease in payroll expenses during the current fiscal year.

The fund balance of the street fund increased during the fiscal year primarily due to reduced transportation expenditures.

The EMS fund had increased charges for services revenue in the current year causing an increase in fund balance.

The fund balance of the storm sewer assessment fund decreased due to additional expenditures related to the completion of the Eastport Avenue storm sewer project during the fiscal year.

The fire truck levy fund had increased expenditures due to the purchase of a new pumper tanker and related debt payments causing a decrease in the fund balance for the current fiscal year.

Decreases in security of persons and property and principal retirement expenditures due to changes in major funds caused an increase in the fund balance of other governmental funds during the current fiscal year.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

	Unrestricted Net Position 12/31/2021	Unrestricted Net Position 12/31/2020	Increase (Decrease)
Water Park	\$ 349,271	\$ 294,859	\$ 54,412

City of Uhrichsville
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unrestricted net position of the water park fund at the end of the year increased from 2020. Activity in this fund can fluctuate from year to year due to various factors, including the weather and transfers in for debt payments.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

Original Budget Compared to Final Budget During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations.

Final Budget Compared to Actual Results The most significant difference between estimated revenues and actual revenues was an increase in income taxes as receipts were higher than anticipated.

Capital Assets and Debt Administration

Capital Assets

The increase in capital assets of governmental activities was primarily attributable to additions to infrastructure due to the completion of the Eastport Avenue Phase II project, pumper tanker and construction in progress for the East 1st Street storm sewer project.. The decrease in capital assets of business-type activities is due to current year depreciation. See Note 8 for additional information about the capital assets of the City.

Debt

The City acquired a new police cruiser and a pumper tanker which increased debt of governmental activities in 2021.

Detailed information regarding long-term debt is included in Note 9 to the basic financial statements.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Becky Carpenter, Auditor at the City of Uhrichsville, 305 East 2nd Street, Uhrichsville, Ohio 44683, (740) 922-9344.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 2,593,980	\$ 368,655	\$ 2,962,635
Cash in Segregated Accounts	88,648	-	88,648
Accounts Receivable	145,279	-	145,279
Intergovernmental Receivable	312,355	-	312,355
Property Taxes Receivable	597,663	-	597,663
Income Taxes Receivable	745,045	-	745,045
Special Assessments Receivable	55,463	-	55,463
Prepaid Items	60,329	-	60,329
Materials and Supplies Inventory	27,526	-	27,526
Net OPEB Asset	38,340	-	38,340
Non-Depreciable Capital Assets	1,298,511	-	1,298,511
Depreciable Capital Assets, net	8,417,518	3,111,218	11,528,736
<i>Total Assets</i>	<u>14,380,657</u>	<u>3,479,873</u>	<u>17,860,530</u>
Deferred Outflows of Resources			
Pension	687,816	-	687,816
OPEB	352,941	-	352,941
<i>Total Deferred Outflows of Resources</i>	<u>1,040,757</u>	<u>-</u>	<u>1,040,757</u>
Liabilities			
Accounts Payable	138,686	-	138,686
Accrued Wages	20,065	-	20,065
Intergovernmental Payable	27,064	2,523	29,587
Accrued Interest Payable	-	16,860	16,860
Unearned Revenue	257,084	-	257,084
Long-Term Liabilities:			
Due Within One Year	268,410	280,082	548,492
Due In More Than One Year:			
Net Pension Liability	2,918,464	-	2,918,464
Net OPEB Liability	409,102	-	409,102
Other Amounts Due in More Than One Year	1,608,858	2,440,000	4,048,858
<i>Total Liabilities</i>	<u>5,647,733</u>	<u>2,739,465</u>	<u>8,387,198</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	546,192	-	546,192
Pension	464,993	-	464,993
OPEB	334,477	-	334,477
<i>Total Deferred Inflows of Resources</i>	<u>1,345,662</u>	<u>-</u>	<u>1,345,662</u>
Net Position			
Net Investment in Capital Assets	8,207,375	391,137	8,598,512
Restricted for:			
Capital Outlay	786,273	-	786,273
Other Purposes	1,316,620	-	1,316,620
Unrestricted	(1,882,249)	349,271	(1,532,978)
<i>Total Net Position</i>	<u>\$ 8,428,019</u>	<u>\$ 740,408</u>	<u>\$ 9,168,427</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 468,510	\$ 72,270	\$ -	\$ -	\$ (396,240)	\$ -	\$ (396,240)
Security of Persons and Property	1,827,464	328,263	26,795	33,138	(1,439,268)	-	(1,439,268)
Public Health	250,997	118,126	22,674	110,536	339	-	339
Leisure Time Services	89,250	-	5,305	-	(83,945)	-	(83,945)
Community Development	21,278	-	31,361	-	10,083	-	10,083
Transportation	496,923	-	351,049	58,434	(87,440)	-	(87,440)
Intergovernmental	18,500	-	-	-	(18,500)	-	(18,500)
Interest and Fiscal Charges	30,404	-	-	-	(30,404)	-	(30,404)
<i>Total Governmental Activities</i>	<u>3,203,326</u>	<u>518,659</u>	<u>437,184</u>	<u>202,108</u>	<u>(2,045,375)</u>	<u>-</u>	<u>(2,045,375)</u>
Business-Type Activities							
Water Park	450,885	352,763	-	-	-	(98,122)	(98,122)
<i>Total Business-Type Activities</i>	<u>450,885</u>	<u>352,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,122)</u>	<u>(98,122)</u>
<i>Total</i>	<u>\$ 3,654,211</u>	<u>\$ 871,422</u>	<u>\$ 437,184</u>	<u>\$ 202,108</u>	<u>(2,045,375)</u>	<u>(98,122)</u>	<u>(2,143,497)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					322,169	-	322,169
Capital Projects					101,549	-	101,549
Parks and Recreation					25,394	-	25,394
Ambulance					123,441	-	123,441
Police and Fire Pension					34,754	-	34,754
Income Taxes Levied for:							
General Purposes					1,399,395	-	1,399,395
Capital Projects					381,653	-	381,653
Streets					254,436	-	254,436
Grants and Entitlements not Restricted to Specific Programs					258,718	-	258,718
Investment Earnings					2,764	-	2,764
Miscellaneous					26,002	15,968	41,970
<i>Total General Revenues</i>					<u>2,930,275</u>	<u>15,968</u>	<u>2,946,243</u>
Transfers					(300,000)	300,000	-
<i>Total General Revenues and Transfers</i>					<u>2,630,275</u>	<u>315,968</u>	<u>2,946,243</u>
<i>Change in Net Position</i>					<u>584,900</u>	<u>217,846</u>	<u>802,746</u>
<i>Net Position Beginning of Year</i>					<u>7,843,119</u>	<u>522,562</u>	<u>8,365,681</u>
<i>Net Position End of Year</i>					<u>\$ 8,428,019</u>	<u>\$ 740,408</u>	<u>\$ 9,168,427</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	General	Street Fund	EMS Fund
Assets			
Equity in Pooled Cash and Investments	\$ 696,010	\$ 381,298	\$ 343,847
Cash in Segregated Accounts	-	-	-
Accounts Receivable	13,254	-	132,025
Intergovernmental Receivable	116,906	146,247	8,054
Property Taxes Receivable	312,527	-	128,582
Income Taxes Receivable	512,218	93,131	-
Special Assessments Receivable	-	-	-
Interfund Receivable	10,030	-	-
Prepaid Items	60,329	-	-
Materials and Supplies Inventory	20,083	7,443	-
<i>Total Assets</i>	<u>\$ 1,741,357</u>	<u>\$ 628,119</u>	<u>\$ 612,508</u>
Liabilities			
Accounts Payable	\$ 18,779	\$ 62,933	\$ 5,780
Accrued Wages	17,112	2,953	-
Intergovernmental Payable	24,541	2,523	-
Interfund Payable	-	-	-
Unearned Revenue	-	-	-
<i>Total Liabilities</i>	<u>60,432</u>	<u>68,409</u>	<u>5,780</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	286,173	-	118,240
Unavailable Revenue	444,783	155,827	18,396
<i>Total Deferred Inflows of Resources</i>	<u>730,956</u>	<u>155,827</u>	<u>136,636</u>
Fund Balances			
Nonspendable	80,412	7,443	-
Restricted	-	396,440	470,092
Committed	-	-	-
Assigned	45,650	-	-
Unassigned	823,907	-	-
<i>Total Fund Balance</i>	<u>949,969</u>	<u>403,883</u>	<u>470,092</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,741,357</u>	<u>\$ 628,119</u>	<u>\$ 612,508</u>

See accompanying notes to the basic financial statements.

Storm Sewer Assessment Fund	American Rescue Plan Act Fund	Fire Truck Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 93,900	\$ 257,084	\$ 243,091	\$ 578,750	\$ 2,593,980
-	-	-	88,648	88,648
-	-	-	-	145,279
-	-	6,584	34,564	312,355
-	-	97,901	58,653	597,663
-	-	-	139,696	745,045
55,463	-	-	-	55,463
-	-	-	-	10,030
-	-	-	-	60,329
-	-	-	-	27,526
<u>\$ 149,363</u>	<u>\$ 257,084</u>	<u>\$ 347,576</u>	<u>\$ 900,311</u>	<u>\$ 4,636,318</u>
\$ 50,150	\$ -	\$ -	\$ 1,044	\$ 138,686
-	-	-	-	20,065
-	-	-	-	27,064
-	-	-	10,030	10,030
-	257,084	-	-	257,084
<u>50,150</u>	<u>257,084</u>	<u>-</u>	<u>11,074</u>	<u>452,929</u>
-	-	88,671	53,108	546,192
55,463	-	15,814	113,839	804,122
<u>55,463</u>	<u>-</u>	<u>104,485</u>	<u>166,947</u>	<u>1,350,314</u>
-	-	-	-	87,855
43,750	-	243,091	651,000	1,804,373
-	-	-	74,434	74,434
-	-	-	-	45,650
-	-	-	(3,144)	820,763
<u>43,750</u>	<u>-</u>	<u>243,091</u>	<u>722,290</u>	<u>2,833,075</u>
<u>\$ 149,363</u>	<u>\$ 257,084</u>	<u>\$ 347,576</u>	<u>\$ 900,311</u>	<u>\$ 4,636,318</u>

City of Uhrichsville
Tuscarawas County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2021

Total Governmental Fund Balances		\$ 2,833,075
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,716,029
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 51,471	
Income Tax	466,634	
Intergovernmental	217,300	
Fire Contracts	13,254	
Special Assessments	<u>55,463</u>	804,122
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	38,340	
Deferred Outflows - Pension	687,816	
Deferred Outflows - OPEB	352,941	
Net Pension Liability	(2,918,464)	
Net OPEB Liability	(409,102)	
Deferred Inflows - Pension	(464,993)	
Deferred Inflows - OPEB	<u>(334,477)</u>	(3,047,939)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
OPWC Loans	(280,090)	
OWDA Loans	(776,959)	
EMS Loan	(59,485)	
Police Cruiser Loan	(50,988)	
Pumper Tanker Loan	(309,673)	
Police and Fire Pension	(195,006)	
Capital Leases	(31,459)	
Compensated Absences	<u>(173,608)</u>	<u>(1,877,268)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$ 8,428,019</u></u>

See accompanying notes to the basic financial statements.

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

	General	Street Fund	EMS Fund
Revenues			
Property Taxes	\$ 323,045	\$ -	\$ 123,784
Income Taxes	1,417,275	257,687	-
Special Assessments	-	-	-
Charges for Services	-	-	293,018
Licenses and Permits	59,322	-	-
Fines and Forfeitures	3,679	-	-
Intergovernmental	251,464	286,891	17,756
Interest	2,764	-	-
Contributions and Donations	-	-	-
Miscellaneous	22,425	-	-
<i>Total Revenues</i>	<u>2,079,974</u>	<u>544,578</u>	<u>434,558</u>
Expenditures			
Current:			
General Government	617,311	-	-
Security of Persons and Property	1,245,729	-	295,672
Public Health	2,634	-	-
Leisure Time Services	-	-	-
Community Development	-	-	-
Transportation	34,813	347,557	-
Intergovernmental	18,500	-	-
Capital Outlay	-	47,900	-
Debt Service:			
Principal Retirement	10,555	-	-
Interest and Fiscal Charges	8,725	-	-
<i>Total Expenditures</i>	<u>1,938,267</u>	<u>395,457</u>	<u>295,672</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>141,707</u>	<u>149,121</u>	<u>138,886</u>
Other Financing Sources (Uses)			
Proceeds of Loans	-	-	-
Proceeds of OWDA Loans	-	-	-
Transfers Out	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	141,707	149,121	138,886
<i>Fund Balances Beginning of Year</i>	<u>808,262</u>	<u>254,762</u>	<u>331,206</u>
<i>Fund Balances End of Year</i>	<u>\$ 949,969</u>	<u>\$ 403,883</u>	<u>\$ 470,092</u>

See accompanying notes to the basic financial statements.

Storm Sewer Assessment Fund	American Rescue Plan Act Fund	Fire Truck Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 101,851	\$ 60,332	\$ 609,012
-	-	-	386,530	2,061,492
136,041	-	-	-	136,041
-	-	-	10,056	303,074
-	-	-	-	59,322
-	-	-	648	4,327
110,536	21,240	15,513	116,113	819,513
-	-	-	-	2,764
-	-	-	17,057	17,057
-	-	-	12,658	35,083
<u>246,577</u>	<u>21,240</u>	<u>117,364</u>	<u>603,394</u>	<u>4,047,685</u>
529	-	-	5,686	623,526
-	-	26,753	70,243	1,638,397
158,656	-	-	6,964	168,254
-	-	-	80,447	80,447
-	21,240	-	38	21,278
-	-	-	21,221	403,591
-	-	-	-	18,500
215,059	-	309,673	60,521	633,153
220,558	-	116,064	12,312	359,489
12,388	-	7,109	2,182	30,404
<u>607,190</u>	<u>21,240</u>	<u>459,599</u>	<u>259,614</u>	<u>3,977,039</u>
<u>(360,613)</u>	<u>-</u>	<u>(342,235)</u>	<u>343,780</u>	<u>70,646</u>
-	-	309,673	50,988	360,661
147,543	-	-	-	147,543
-	-	-	(300,000)	(300,000)
<u>147,543</u>	<u>-</u>	<u>309,673</u>	<u>(249,012)</u>	<u>208,204</u>
(213,070)	-	(32,562)	94,768	278,850
<u>256,820</u>	<u>-</u>	<u>275,653</u>	<u>627,522</u>	<u>2,554,225</u>
<u>\$ 43,750</u>	<u>\$ -</u>	<u>\$ 243,091</u>	<u>\$ 722,290</u>	<u>\$ 2,833,075</u>

City of Uhrichsville
Tuscarawas County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021*

Net Change in Fund Balances - Total Governmental Funds		\$ 278,850
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 628,380	
Current Year Depreciation	<u>(403,593)</u>	224,787
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(86,168)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(1,705)	
Income Tax	(26,008)	
Intergovernmental	14,481	
Charges for Services	13,254	
Special Assessments	<u>(17,915)</u>	(17,893)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
OPWC Loans	26,050	
OWDA Loans	174,207	
EMS Loan	28,055	
Police and Fire Pension	10,554	
Lease Purchase	99,762	
Capital Lease	<u>20,861</u>	359,489
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
OWDA Loans	(147,543)	
Police Cruiser Loan	(50,988)	
Pumper Tanker Loan	<u>(309,673)</u>	(508,204)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	276,122	
OPEB	<u>5,118</u>	281,240
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(157,338)	
OPEB	<u>214,945</u>	57,607
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(4,808)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ 584,900</u></u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 304,000	\$ 304,000	\$ 323,045	\$ 19,045
Income Taxes	1,176,000	1,329,717	1,421,424	91,707
Charges for Services	5,000	5,425	3,985	(1,440)
Licenses and Permits	33,000	39,326	59,322	19,996
Fines and Forfeitures	8,700	9,092	3,679	(5,413)
Intergovernmental	190,400	216,854	248,089	31,235
Investment Income	5,000	5,295	2,764	(2,531)
Rent	500	500	-	(500)
Miscellaneous	18,653	21,044	22,425	1,381
<i>Total Revenues</i>	<u>1,741,253</u>	<u>1,931,253</u>	<u>2,084,733</u>	<u>153,480</u>
Expenditures				
Current:				
General Government	636,505	636,505	653,935	(17,430)
Security of Persons and Property	1,369,685	1,369,685	1,301,211	68,474
Public Health	16,050	16,050	3,134	12,916
Transportation	28,000	28,000	57,471	(29,471)
Intergovernmental	-	-	18,500	(18,500)
Debt Service:				
Principal Retirement	-	-	10,555	(10,555)
Interest and Fiscal Charges	-	-	8,725	(8,725)
<i>Total Expenditures</i>	<u>2,050,240</u>	<u>2,050,240</u>	<u>2,053,531</u>	<u>(3,291)</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(308,987)</u>	<u>(118,987)</u>	<u>31,202</u>	<u>150,189</u>
 <i>Net Change in Fund Balance</i>	 (308,987)	 (118,987)	 31,202	 150,189
<i>Fund Balance Beginning of Year</i>	<u>629,188</u>	<u>629,188</u>	<u>629,188</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 320,201</u>	<u>\$ 510,201</u>	<u>\$ 660,390</u>	<u>\$ 150,189</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Street Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$ 185,000	\$ 185,000	\$ 258,441	\$ 73,441
Intergovernmental	298,000	298,000	293,610	(4,390)
Miscellaneous	12,000	12,000	-	(12,000)
<i>Total Revenues</i>	<u>495,000</u>	<u>495,000</u>	<u>552,051</u>	<u>57,051</u>
Expenditures				
Current:				
Transportation	615,400	615,400	333,002	282,398
<i>Total Expenditures</i>	<u>615,400</u>	<u>615,400</u>	<u>333,002</u>	<u>282,398</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(120,400)</u>	<u>(120,400)</u>	<u>219,049</u>	<u>339,449</u>
<i>Net Change in Fund Balance</i>	(120,400)	(120,400)	219,049	339,449
<i>Fund Balance Beginning of Year</i>	<u>162,249</u>	<u>162,249</u>	<u>162,249</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 41,849</u>	<u>\$ 41,849</u>	<u>\$ 381,298</u>	<u>\$ 339,449</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
EMS Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 129,500	\$ 129,500	\$ 123,784	\$ (5,716)
Charges for Services	137,500	137,500	265,479	127,979
Intergovernmental	15,000	15,000	17,756	2,756
<i>Total Revenues</i>	<u>282,000</u>	<u>282,000</u>	<u>407,019</u>	<u>125,019</u>
Expenditures				
Current:				
Security of Persons and Property	293,700	293,700	290,292	3,408
<i>Total Expenditures</i>	<u>293,700</u>	<u>293,700</u>	<u>290,292</u>	<u>3,408</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(11,700)</u>	<u>(11,700)</u>	<u>116,727</u>	<u>128,427</u>
<i>Net Change in Fund Balance</i>	(11,700)	(11,700)	116,727	128,427
<i>Fund Balance Beginning of Year</i>	<u>226,720</u>	<u>226,720</u>	<u>226,720</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 215,020</u>	<u>\$ 215,020</u>	<u>\$ 343,447</u>	<u>\$ 128,427</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 280,000	\$ 278,324	\$ (1,676)
<i>Total Revenues</i>	<u>-</u>	<u>280,000</u>	<u>278,324</u>	<u>(1,676)</u>
Expenditures				
Current:				
Community and Economic Development	-	280,000	21,240	258,760
<i>Total Expenditures</i>	<u>-</u>	<u>280,000</u>	<u>21,240</u>	<u>258,760</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>257,084</u>	<u>257,084</u>
<i>Net Change in Fund Balance</i>	-	-	257,084	257,084
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,084</u>	<u>\$ 257,084</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2021

	Enterprise Fund
	Water Park
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 368,655
<i>Total Current Assets</i>	368,655
<i>Non-Current Assets:</i>	
Depreciable Capital Assets, Net	3,111,218
<i>Total Non-Current Assets</i>	3,111,218
<i>Total Assets</i>	3,479,873
Liabilities	
<i>Current Liabilities:</i>	
Intergovernmental Payable	2,523
Accrued Interest Payable	16,860
Notes Payable	280,082
<i>Total Current Liabilities</i>	299,465
<i>Long-Term Liabilities:</i>	
Notes Payable - Net of Current Portion	2,440,000
<i>Total Long-Term Liabilities</i>	2,440,000
<i>Total Liabilities</i>	2,739,465
Net Position	
Net Investment in Capital Assets	391,137
Unrestricted	349,271
<i>Total Net Position</i>	\$ 740,408

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Enterprise Fund
	Water Park
Operating Revenues	
Charges for Services	\$ 352,763
Other	15,968
<i>Total Operating Revenues</i>	<i>368,731</i>
Operating Expenses	
Personal Services	116,959
Fringe Benefits	21,001
Contractual Services	155,516
Materials and Supplies	35,877
Depreciation	87,620
<i>Total Operating Expenses</i>	<i>416,973</i>
<i>Operating Income (Loss)</i>	<i>(48,242)</i>
Non-Operating Revenues (Expenses)	
Interest	(33,912)
<i>Total Non-Operating Revenues (Expenses)</i>	<i>(33,912)</i>
<i>Income (Loss) Before Transfers</i>	<i>(82,154)</i>
Transfers In	300,000
<i>Change in Net Position</i>	<i>217,846</i>
<i>Net Position Beginning of Year</i>	<i>522,562</i>
<i>Net Position End of Year</i>	<i>\$ 740,408</i>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Enterprise Fund
	Water Park
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 346,308
Cash Received from Rent	6,455
Cash Received from Other Operating Receipts	15,968
Cash Payments to Suppliers for Goods and Services	(191,779)
Cash Payments to Employees for Services and Benefits	(136,649)
<i>Net Cash Provided by (Used for) Operating Activities</i>	40,303
Cash Flows from Capital and Related Financing Activities	
Proceeds of Bond Anticipation Notes	2,705,000
Premium on Debt Issuance	30,161
Transfers In for Capital Debt Retirement	300,000
Principal Payments on Debt	(2,955,000)
Interest Payments on Debt	(70,367)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	9,794
<i>Net Increase (Decrease) in Cash and Investments</i>	50,097
<i>Cash and Investments Beginning of Year</i>	318,558
<i>Cash and Investments End of Year</i>	\$ 368,655
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ (48,242)
Adjustments:	
Depreciation	87,620
Increase (Decrease) in Liabilities:	
Accounts Payable	(386)
Intergovernmental Payable	1,311
<i>Net Cash Provided by (Used For) Operating Activities</i>	\$ 40,303

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$ 1,072</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 1,072</u>

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Custodial
Additions	
Amounts Received as Fiscal Agent	\$ -
Deductions	
Distributions as Fiscal Agent	-
<i>Change in Net Position</i>	-
<i>Net Position Beginning of Year</i>	1,072
<i>Net Position End of Year</i>	\$ 1,072

See accompanying notes to the basic financial statements.

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Uhrichsville (the “City”) is located in Tuscarawas County, Ohio, approximately 40 miles southeast of the City of Canton and has a population of approximately 5,401. The City was incorporated as a Village on August 13, 1866, and began operating as a City on February 21, 1921. The City is a home rule municipal corporation regulated by Article XVIII of the Ohio Constitution and by Title 7 of the Ohio Revised Code. The City operates as a statutory city with the decision making process being directed by an elected eight member City Council and Mayor.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Uhrichsville, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The City's departments include a public safety department, a street maintenance department, a park and recreation department, a planning and zoning department, and staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process. Sewer and water services are provided by the Twin City Water and Sewer District.

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 deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City participates in the Community Improvement Corporation of Tuscarawas County, the Uhrichsville-Dennison-Mill Union Cemetery, the Tuscarawas County Tax Incentive Review Council and a Joint Economic Development District, which are defined as jointly governed organizations, the Twin City Water and Sewer District, which is defined as a joint venture, the Public Entities Pool of Ohio, which is a risk sharing pool and the Ohio Municipal League Group Rating Program, an insurance purchasing pool.

Jointly Governed Organizations

A. Community Improvement Corporation of Tuscarawas County (Corporation)

The sole purpose of the Corporation is to advance, encourage and promote the industrial, economic, commercial and civic development of the area. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugar Creek and Gnadenuhthen. It is controlled by 25 trustees consisting of the three County Commissioners, the mayor of each participating city and fifteen elected trustees. The board exercises total control over the operations of the Corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. During 2021, no monies were contributed by the City.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

B. Uhrichsville-Dennison-Mill Union Cemetery (Cemetery)

The Cemetery is a jointly governed organization organized under Ohio Revised Code Section 759.27, and is directed by an appointed three-member board. Uhrichsville, Dennison and Union Township each appoint one member to the board. The continued existence of the Cemetery is not dependent on the City's participation. The Cemetery provides burial services and the upkeep of the grounds at the cemetery. During 2021, no monies were contributed by the City.

C. Tuscarawas County Tax Incentive Review Council (TCTIRC)

TCTIRC was created as a regional council of governments pursuant to State statutes. TCTIRC has 48 participants, consisting of 3 members appointed by the County Commissioners, 18 members appointed by municipal corporations, 16 members appointed by township trustees, 1 member from the County Auditor's Office and 10 members appointed by boards of education located within the County. The TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. The body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the TCTIRC can make written recommendations to the legislative body that approved the agreement. There is no cost associated with being a member of the TCTIRC. The continued existence of the TCTIRC is not dependent upon the City's continued participation and no measurable equity interest exists.

The City does not retain an on-going financial interest or an ongoing financial responsibility with this organization. During 2021, no monies were contributed by the City.

D. Joint Economic Development District (JEDD)

(JEDD) is a not for profit community improvement Corporation formed under Chapter 715.72 through 715.83 of the Ohio Revised Code. The JEDD was formed in 2013 and was designated as the economic development agent for the City of Uhrichsville and Rush Township. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the Township, the City and the District served. The JEDD is administered by a Board of locally appointed officials and local business leaders.

Joint Venture

Twin City Water and Sewer District (District)

The District is a joint venture organized under Ohio Revised Code Section 6119.01, and is established to supply water and to provide for the collection, treatment and disposal of waste water within the Uhrichsville-Dennison district, or beyond with additional fees. The cities of Uhrichsville and Dennison each appoint two of the five District's board members. The fifth board member is appointed by the other four board members. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. During 2021, no monies were received from the City.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Public Entity Risk Pools

A. Risk Sharing Pool

The Public Entities Pool of Ohio (the Pool) is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven member board of directors; six are member representatives or elected officials and one is a representative of the pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors. Participation in the Pool is by written application subject to the terms of the pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a sixty day written notice prior to the annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6797 North High Street, Suite 131, Worthington, Ohio 43085.

B. Insurance Purchasing Pool

The City is a participant in the Ohio Municipal League Group Rating Program (OML), an insurance purchasing pool for workers' compensation. The OML'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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government except fiduciary funds. These statements distinguish between those activities of the City that are governmental and those that are considered business-type.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business type activity of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program or business activity 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. Non-major funds are aggregated and presented in a single column.

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. There are three categories of funds utilized by the City: governmental, proprietary and fiduciary.

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

Street Fund The street fund is used to account for grants and income taxes used to maintain and improve roadways within the city.

EMS Fund The EMS fund is used to account for financial resources to be used for operations of the emergency medical services department.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Storm Sewer Assessment Fund The storm sewer assessment fund is used to account for grants and special assessments used to construct, improve, and maintain sewers within the city.

American Rescue Plan Act This fund accounts for federal emergency relief grants related to the Coronavirus (COVID-19) pandemic.

Fire Truck Levy Fund The fire truck levy fund is used to account for financial resources to be used for the purchase of fire equipment and vehicles.

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City's only proprietary fund is an enterprise fund:

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 City has one major enterprise fund.

Water Park Fund This fund accounts for the operations and maintenance of the City's water park.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Custodial funds are used to account for assets held by the City as fiscal agent for the Joint Economic Development District (JEDD), which is used to account for monies held for individuals and organizations for income taxes.

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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that 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 sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On 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 to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and rentals.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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 then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, special assessments, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Investments

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

Investments are reported at fair value, with the exception of nonparticipating investment contracts, such as certificates of deposit and repurchase agreements, which are reported at cost. During 2021, investments were limited to non-negotiable certificates of deposit.

Under existing Ohio statutes, the City has, by resolution, identified the general fund to receive an allocation of interest. Interest revenue credited to the general fund during 2021 amounted to \$2,764, which includes \$2,015 assigned from other City funds.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Investments of the cash management pool and investments with original maturities of three months or less are presented on the financial statements as “equity in pooled cash and investments.” Investments with an original maturity of more than three months that are not made from the pool are reported as “investments.”

The City has segregated bank accounts for monies held separate from the City’s central bank account. These interest bearing depository accounts are presented on the statement of net position and the balance sheet as “cash in segregated accounts” since they are not required to be deposited into the City’s treasury.

F. Inventory

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

G. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 years
Equipment and Machinery	5-25 years
Infrastructure	40 years
Vehicles	15 years

During 2004, the City reported general infrastructure assets for the first time which consists of roads and storm sewers. Only general infrastructure assets acquired or improved since 2004 have been reported.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for employees with more than one year of service in the police department and street department when approved.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination payments and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused sick leave benefits time when earned for all employees with more than five years of service.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

J. Pension/Other Postemployment Benefits (OPEB)

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

K. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

L. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the City. The City Council has by resolution authorized the City Auditor to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

M. 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 the water park. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

N. Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Transfers between governmental and business-type activities on the government-wide 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. Interfund payments for services provided and used are not eliminated.

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

O. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. The straight-line method of amortization is not materially different from the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2021.

Q. 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.

R. Unearned Revenue

Unearned revenue arises when monies are received before revenue recognition criteria have been satisfied. The unearned revenue reported represents grants received from the American Rescue Plan Act funding.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

S. Budgetary Process

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

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 and final budgeted amounts on the budgetary statements reflect the amounts on the original and final amended certificate of estimated resources in effect at the time the original and final appropriations were passed by Council.

The appropriation resolution 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 appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

T. Implementation of New Accounting Principles

For the year ended December 31, 2021, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the City.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general and major special revenue funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a restricted, committed, or assigned fund balance (GAAP).
4. Some funds are included in the general fund, (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, street fund, ambulance levy fund and American Rescue Plan fund.

Net Change in Fund Balance

	General	Street	EMS	American Rescue Plan Act
GAAP Basis	\$ 141,707	\$ 149,121	\$ 138,886	\$ -
Net Adjustment for Revenue Accruals	4,759	7,473	(27,539)	257,084
Net Adjustment for Expenditure Accruals	(115,264)	62,455	5,380	-
Budget Basis	\$ 31,202	\$ 219,049	\$ 116,727	\$ 257,084

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into two categories, active and inactive.

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and any other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Bankers' acceptances and commercial paper for a period not to exceed one hundred eighty days and two hundred and seventy days, respectively, 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.

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Cash on Hand - At December 31, 2021 the City had \$165 in undeposited cash on hand, which is included as part of “Equity in Pooled Cash and Investments.”

Segregated Cash - The CHIP grant fund is maintained separately from the City’s deposits. The carrying amount of the deposits is reported as “Cash in Segregated Accounts.”

Deposits – At year-end, \$2,553,113 of the City’s bank balance was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions’ trust department in the City’s name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

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

NOTE 5 – RECEIVABLES

Receivables at December 31, 2021, consisted primarily of taxes, accounts (billings for user charged services), special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except property taxes, special assessments, and loans, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

NOTE 6 – PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of the 2020 taxes.

2021 real property taxes were levied after October 1, 2021 on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$11.75 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 61,054,190
Public Utilities - Real	52,260
Public Utilities - Personal	3,356,570
Total Assessed Value	\$ 64,463,020

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2021, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2021 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 7 – INCOME TAX

The City levies a municipal income tax of 2.0 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City, which is an increase of 0.25 percent for the street fund effective July 1, 2017. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit up to the full amount owed for taxes paid to other municipalities.

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

The City's income tax of 2.0 percent is comprised of 1 percent credited to the general fund, 0.75 percent equally distributed between the general fund and capital improvement fund, and 0.25 percent credited to the street fund. The 0.25 percent is voted income tax restricted for road paving, road construction, and road maintenance.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets during 2021 follows:

	Balance 12/30/2020	Additions	Deletions	Balance 12/30/2021
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 1,151,026	\$ -	\$ -	\$ 1,151,026
Construction in Progress	<u>1,089,262</u>	<u>252,719</u>	<u>(1,194,496)</u>	<u>147,485</u>
<i>Total Capital Assets, Not Being Depreciated</i>	<u>2,240,288</u>	<u>252,719</u>	<u>(1,194,496)</u>	<u>1,298,511</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	843,866	-	-	843,866
Equipment and Machinery	894,309	-	(63,386)	830,923
Vehicles	2,289,273	375,661	(341,130)	2,323,804
Infrastructure:				
Storm Sewers	3,117,570	1,194,496	-	4,312,066
Roads	<u>3,660,929</u>	<u>-</u>	<u>-</u>	<u>3,660,929</u>
<i>Total Capital Assets, Being Depreciated</i>	<u>10,805,947</u>	<u>1,570,157</u>	<u>(404,516)</u>	<u>11,971,588</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(244,321)	(22,251)	-	(266,572)
Equipment and Machinery	(586,413)	(43,517)	42,289	(587,641)
Vehicles	(810,185)	(156,749)	276,059	(690,875)
Infrastructure:				
Storm Sewers	(774,416)	(92,870)	-	(867,286)
Roads	<u>(1,053,490)</u>	<u>(88,206)</u>	<u>-</u>	<u>(1,141,696)</u>
<i>Total Accumulated Depreciation</i>	<u>(3,468,825)</u>	<u>(403,593)</u>	<u>318,348</u>	<u>(3,554,070)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>7,337,122</u>	<u>1,166,564</u>	<u>(86,168)</u>	<u>8,417,518</u>
<i>Total Governmental Activity Capital Assets, Net</i>	<u>\$ 9,577,410</u>	<u>\$ 1,419,283</u>	<u>\$(1,280,664)</u>	<u>\$ 9,716,029</u>

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 15,593
Security of Persons and Property	144,451
Transportation	147,128
Public Health Services	92,870
Leisure Time Services	<u>3,551</u>
Total Depreciation Expense	<u><u>\$ 403,593</u></u>

	<u>Balance</u> <u>12/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/30/2021</u>
Business-Type Activities:				
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	\$4,276,981	\$ -	\$ -	\$4,276,981
Equipment and Machinery	<u>38,961</u>	<u>-</u>	<u>-</u>	<u>38,961</u>
<i>Total Capital Assets, Being Depreciated</i>	<u>4,315,942</u>	<u>-</u>	<u>-</u>	<u>4,315,942</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,081,433)	(86,680)	-	(1,168,113)
Equipment and Machinery	<u>(35,671)</u>	<u>(940)</u>	<u>-</u>	<u>(36,611)</u>
<i>Total Accumulated Depreciation</i>	<u>(1,117,104)</u>	<u>(87,620)</u>	<u>-</u>	<u>(1,204,724)</u>
<i>Total Business-Type Capital Assets, Net</i>	<u><u>\$3,198,838</u></u>	<u><u>\$ (87,620)</u></u>	<u><u>\$ -</u></u>	<u><u>\$3,111,218</u></u>

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations of the City during the year ended December 31, 2021, were as follows:

	Balance 12/31/2020	Additions	(Reductions)	Balance 12/31/2021	Due in One Year
Governmental Activities:					
<i>Direct Borrowings:</i>					
Newport Area Storm Sewer OPWC Loan	\$ 162,441	\$ -	\$ (14,768)	\$ 147,673	\$ 14,767
Newport Area Storm Sewer OWDA Loan	120,816	-	(16,747)	104,069	16,915
East 2nd Street Storm Sewer OPWC Loan	52,250	-	(4,750)	47,500	4,750
East 2nd Street Storm Sewer OWDA Loan	74,582	-	(7,522)	67,060	7,597
West Side Storm Sewer OWDA Loan	264,701	-	(20,868)	243,833	21,078
West Side Storm Sewer OPWC Loan	91,449	-	(6,532)	84,917	6,532
Eastport Avenue Storm Sewer OWDA Loan	228,442	-	(11,918)	216,524	12,199
Eastport Avenue Phase 2 OWDA Loan	115,082	2,070	(117,152)	-	-
East 1st Street Storm Sewer OWDA Loan	-	145,473	-	145,473	-
EMS Loan	87,540	-	(28,055)	59,485	29,230
Police Cruiser '21 Tahoe	-	50,988	-	50,988	12,226
Pumper Tanker	-	309,673	-	309,673	74,255
Fire Truck Lease Purchase	79,460	-	(79,460)	-	-
Dump Truck Lease Purchase	20,302	-	(20,302)	-	-
<i>Total Direct Borrowings</i>	<u>1,297,065</u>	<u>508,204</u>	<u>(328,074)</u>	<u>1,477,195</u>	<u>199,549</u>
<i>Other Long-Term Obligations:</i>					
Police and Fire Pension	205,560	-	(10,554)	195,006	11,008
Net Pension Liability	2,972,841	-	(54,377)	2,918,464	-
Net OPEB Liability	763,113	-	(354,011)	409,102	-
Compensated Absences	168,800	40,638	(35,830)	173,608	35,614
Capital Leases	52,320	-	(20,861)	31,459	22,239
<i>Total Other Long-Term Obligations</i>	<u>4,162,634</u>	<u>40,638</u>	<u>(475,633)</u>	<u>3,727,639</u>	<u>68,861</u>
<i>Total Governmental Activities</i>	<u>\$ 5,459,699</u>	<u>\$ 548,842</u>	<u>\$ (803,707)</u>	<u>\$ 5,204,834</u>	<u>\$ 268,410</u>
Business-Type Activities:					
<i>Direct Borrowings:</i>					
Recreational Facilities Improvement					
Bond Anticipation Note	\$ 2,955,000	\$ 2,705,000	\$(2,955,000)	\$ 2,705,000	\$ 265,000
Unamortized Premium on Note	16,135	30,161	(31,214)	15,082	15,082
	<u>\$ 2,971,135</u>	<u>\$ 2,735,161</u>	<u>\$(2,986,214)</u>	<u>\$ 2,720,082</u>	<u>\$ 280,082</u>

Governmental Activities

In 2010, the City finalized a loan with the Ohio Public Works Commission (OPWC) for the Newport area storm sewer project in the amount of \$295,347. The City pays no interest on this loan and it will be fully repaid in 2031. This loan will be paid from the storm sewer assessment fund.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

In 2007, the City was awarded a loan from the Ohio Water Development Authority (OWDA) in the amount of \$323,990 for the Newport area storm sewer improvement project. The loan has an interest rate of 1 percent and will be fully repaid in 2028. This loan will be paid from the storm sewer assessment fund.

In 2010, the City was awarded a loan from OPWC in the amount of \$95,000 for the East Second Street storm sewer improvement project. The loan is interest free and matures in 2031. This loan will be paid from the storm sewer assessment fund.

In 2011, the City was awarded a loan from the OWDA in the amount of \$149,191 for the East Second Street area storm sewer improvement project. The loan has an interest rate of 1 percent and will be fully repaid in 2030. This loan will be paid from the storm sewer assessment fund.

In 2011, the City was awarded a loan from OWDA in the amount of \$424,360 for the West Side storm sewer improvement project. The loan has an interest rate of 1 percent and will be fully repaid in 2033. This loan will be paid from the storm sewer assessment fund.

In 2013, the City was awarded a loan from OPWC in the amount of \$130,641 for the West Side storm sewer improvement project. The loan is interest free and will be fully repaid in 2034. This loan will be paid from the storm sewer assessment fund.

In 2015, the City was awarded a loan from OWDA in the amount of \$273,432 for the Eastport Avenue storm sewer improvement project phase 1. The loan has an interest rate of 2.06 to 2.46 percent and will be fully repaid in 2036. This loan will be paid from the storm sewer assessment fund.

In 2018, the City was awarded a loan from OWDA in the amount of \$128,893 for the Eastport Avenue storm sewer improvement project phase 2. The loan has an interest rate of 3.39 percent. This loan will be paid from the storm sewer assessment fund. The City paid this loan in full in 2021.

In 2021, the City was awarded a loan from OWDA in the amount of \$145,473 for the East 1st Street storm sewer improvement project. The loan has an interest rate of 1.18 percent. This loan will be paid from the storm sewer assessment fund. The City will begin making payments in January 2023; however, no amortization schedule is available. Therefore, it has been excluded from the schedule below.

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the City Auditor to pay the amounts due from funds appropriated to the City's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the City to pay any fines or penalties incurred with interest.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

In 2019, the City entered into a loan agreement with the First Federal Community Bank for the purchase of a new ambulance in the amount of \$114,467. The loan carries an interest rate of 4.19 percent and a maturity date of July 10, 2023. The loan will be paid from the EMS/fire levy funds. In the event of default, as defined by the loan agreement, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due.

In 2017, the City entered into a lease-purchase agreement for the acquisition of a dump truck in the amount of \$98,558. The lease carries an interest rate of 2.75 percent and a maturity date of March 20, 2021. The lease will be paid from the storm sewer assessment fund. In the event of default, as defined by the lease agreement, the Lessor has the right to exercise all rights and remedies, including the rights to declare all sums due during the current fiscal period and/or take possession of the dump truck. The final payment for this agreement was made in 2021.

In 2017, the City entered into a lease-purchase agreement for the acquisition of a fire ladder truck in the amount of \$801,321. The lease carries an interest rate of 3.04 percent and a maturity date of June 15, 2021. The lease will be paid from the fire truck levy fund. In the event of default, as defined by the lease agreement, the Lessor has the right to exercise all rights and remedies, including the rights to declare all sums due during the current fiscal period and/or take possession of the fire ladder truck. The final payment for this agreement was made in 2021.

In 2021, the City entered into a loan agreement for the acquisition of a commercial tanker in the amount of \$309,673. The loan carries an interest rate of 2.76 percent and a maturity date of November 1, 2025. The loan will be paid from the fire truck levy fund. In the event of default, as defined by the loan agreement, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due.

In 2021, the City entered into a loan agreement for the acquisition of a 2021 Tahoe police cruiser in the amount of \$50,988. The loan carries an interest rate of 2.76 percent and a maturity date of July 12, 2025. This loan will be paid from the capital improvement fund. In the event of default, as defined by the loan agreement, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due.

The police and fire pension liability will be paid from taxes receipted in the general fund. The City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967.

Compensated absences will be paid from the general and street funds. There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and street fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2021, are as follows:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Governmental Activities								
	OWDA Loans		OPWC Loans	EMS Loan		Police Tahoe		
	Principal	Interest	Principal	Principal	Interest	Principal	Interest	
2022	\$ 57,789	\$ 8,902	\$ 26,049	\$ 29,230	\$ 2,492	\$ 12,226	\$ 1,425	
2023	58,534	8,154	26,049	30,255	1,268	12,568	1,084	
2024	59,289	7,546	26,049	-	-	12,919	732	
2025	60,057	6,778	26,049	-	-	13,275	377	
2026	60,837	5,998	26,049	-	-	-	-	
2027-2031	230,952	19,199	130,249	-	-	-	-	
2032-2036	104,028	8,146	19,596	-	-	-	-	
Total	\$ 631,486	\$ 64,723	\$ 280,090	\$ 59,485	\$ 3,760	\$ 50,988	\$ 3,618	

Governmental Activities						
	Tanker		Police and Fire Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 74,255	\$ 8,656	\$ 11,008	\$ 8,172	\$ 210,557	\$ 29,647
2023	76,332	6,580	11,480	7,699	215,218	24,785
2024	78,465	4,447	11,974	7,206	188,696	19,931
2025	80,621	2,253	12,488	6,692	192,490	16,100
2026	-	-	13,024	6,156	99,910	12,154
2027-2031	-	-	74,008	21,893	435,209	41,092
2032-2036	-	-	61,024	5,242	184,648	13,388
Total	\$ 309,673	\$ 21,936	\$ 195,006	\$ 63,060	\$ 1,526,728	\$ 157,097

Business-Type Activities

On June 18, 2020, the City issued a Recreational Facilities Improvement Note in the amount of \$2,955,000 to refund the improvement note previously used to finance the water park construction. The note matured in June 2021 and had an interest rate of 1.5 percent and was paid from the water park enterprise fund with user charges to the extent monies are available. Additional monies were transferred in from the capital improvement fund as needed.

On June 16, 2021, the City issued a Recreational Facilities Improvement Note in the amount of \$2,705,000 to refund the improvement note previously used to finance the water park construction. The note matured in June 2022 with an interest rate of 1.25 percent and was paid from the water park enterprise fund with user charges to the extent monies are available. Additional monies will be transferred in from the capital improvement fund as needed.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 10 – CAPITAL LEASES PAYABLE

In 2019, the City entered into capitalized lease agreements for the acquisition of a Chevrolet Silverado and a Chevrolet Tahoe. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

The Silverado acquired by the lease has been capitalized in the governmental activities in the amount of \$34,879, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$5,740 as of December 31, 2021, leaving a current book value of \$28,700. A corresponding liability is recorded and is reduced for each required principal payment. This lease will be paid from the street fund.

The Tahoe acquired by the lease has been capitalized in the governmental activities in the amount of \$51,515, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$8,586 as of December 31, 2021, leaving a current book value of \$42,929. A corresponding liability is recorded and is reduced for each required principal payment. This lease will be paid from the capital improvement fund.

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

			Governmental Activities
			<u>Capital Leases</u>
Year ending December 31,	2022	\$	24,071
	2023		<u>9,574</u>
Minimum lease payments			33,645
Less: amount representing interest at the City's incremental borrowing rate of interest			<u>(2,186)</u>
Present value of net minimum lease payments		\$	<u><u>31,459</u></u>

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of property and casualty losses, and injuries to employees.

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2021, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2021 and 2020:

	2021	2020
Assets	\$ 59,340,305	\$ 57,336,499
Liabilities	(17,071,953)	(16,156,805)
Net Position	\$ 42,268,352	\$ 41,179,694

At December 31, 2021 and 2020, respectively, the liabilities above include approximately \$15.0 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$13.9 million and \$13.5 million of unpaid claims to be billed. The Pool's membership increased to 589 members in 2021. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2021, the City's share of these unpaid claims collectible in future years is approximately \$74,292.

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

Contributions to PEP

2020	\$ 68,408
2021	79,034

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

The City participates in the Ohio Municipal League Group Rating Plan (OML) for workers' compensation. The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OML. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OML. Each participant pays its workers' compensation premium to the State based on the rate for the OML rather than its individual rate. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the OML.

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are components of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions and OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The 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 benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index (CPI), capped at 3 percent.

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

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

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$55,939 for 2021. Of this amount, \$34,741 is reported as an intergovernmental payable.

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

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

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

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

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

Funding Policy - 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 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$220,183 for 2021. Of this amount, \$3,678 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2021, the specific liability of the City was \$195,006 payable in semi-annual payments through the year 2035.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 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 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Period	0.001933%	0.038612%	
Prior Measurement Period	<u>0.002798%</u>	<u>0.035921%</u>	
Change in Proportion	<u>-0.000865%</u>	<u>0.002692%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 286,235	\$ 2,632,229	\$ 2,918,464
Pension Expense	\$ (94,267)	\$ 251,605	\$ 157,338

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 110,035	\$ 110,035
Changes of Assumptions	-	44,144	44,144
Changes in Proportionate Share and Differences in Contributions	-	257,515	257,515
City Contributions Subsequent to the Measurement Date	55,939	220,183	276,122
Total Deferred Outflows of Resources	\$ 55,939	\$ 631,877	\$ 687,816
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 11,973	\$ 102,543	\$ 114,516
Net Difference between Projected and Actual Earnings on Pension Plan Investments	111,567	127,683	239,250
Changes in Proportionate Share and Differences in Contributions	121,692	(10,465)	111,227
Total Deferred Inflows of Resources	\$ 245,232	\$ 219,761	\$ 464,993

\$276,122 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 in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	\$ (128,688)	\$ 81,535	\$ (47,153)
2023	(55,849)	127,723	71,874
2024	(45,479)	(65,094)	(110,573)
2025	(15,216)	25,541	10,325
2026	-	22,228	22,228
Total	\$ (245,232)	\$ 191,933	\$ (53,299)

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 key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020 are presented below.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

<u>Actuarial Information</u>	<u>Traditional Pension Plan</u>
Wage Inflation	3.25 percent
Future Salary Increases, including wage inflation	3.25 percent to 10.75 percent (including wage inflation)
Investment Rate of Return	
Current Measurement Date	7.20 percent
Prior Measurement Date	7.20 percent
Actuarial Cost Method	Individual Entry Age
Cost-of-Living	Pre-1/7/2013 Retirees: 3.00 percent Simple
Adjustments	Post-1/7/2013 Retirees: 0.50 percent Simple through 2021, then 2.15 percent Simple

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

Pre-retirement mortality rates are 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. Post-retirement mortality rates are 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. Post-retirement mortality rates for disabled retirees are 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 are 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. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
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>	<u>5.43 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent and the City’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net Pension Liability	\$ 545,995	\$ 286,235	\$ 70,245

Changes between Measurement Date and Report 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 – OP&F

OP&F’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 OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.20 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

<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

The most recent experience study was completed for the five year period ended December 31, 2016.

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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	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

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 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 8.00 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 3,664,399	\$ 2,632,229	\$ 1,768,406

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, 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 pension and the combined 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 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.

Medicare-eligible retirees who choose to become re-employed 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 balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed 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.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service 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 Post Employment Benefit (OPEB) as described in GASB Statement 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. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

A retiree is eligible for the OP&F 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 OP&F. Even if an OP&F 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 OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$5,118 for 2021. Of this amount, \$86 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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. OP&F'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:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.002152%	0.0386122%	
Prior Measurement Period	0.002956%	0.0359205%	
Change in Proportion	-0.000804%	0.0026917%	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ (38,340)	\$ 409,102	
OPEB Expense	\$ (275,491)	\$ 60,546	\$ (214,945)

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City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes of Assumptions	\$ 18,847	\$ 226,006	\$ 244,853
Changes in Proportionate Share and Differences in Contributions	36	102,934	102,970
City Contributions Subsequent to the Measurement Date	-	5,118	5,118
Total Deferred Outflows of Resources	\$ 18,883	\$ 334,058	\$ 352,941
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 34,600	\$ 67,480	\$ 102,080
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	20,421	15,205	35,626
Changes of Assumptions	62,122	65,218	127,340
Changes in Proportionate Share and Differences in Contributions	69,431	-	69,431
Total Deferred Inflows of Resources	\$ 186,574	\$ 147,903	\$ 334,477

\$5,118 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	\$ (94,386)	\$ 39,246	\$ (55,140)
2023	(62,026)	42,846	(19,180)
2024	(8,872)	37,169	28,297
2025	(2,407)	38,889	36,482
2026	-	11,189	11,189
Thereafter	-	11,698	11,698
	\$ (167,691)	\$ 181,037	\$ 13,346

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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 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	6.00 percent
Prior Measurement Date	3.16 percent
Investment Rate of Return:	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Municipal Bond Rate:	
Current Measurement Date	2.00 percent
Prior Measurement Date	2.75 percent
Health Care Cost Trend Rate:	
Current Measurement Date	8.5 percent, initial, 3.50 percent, ultimate in 2035
Prior Measurement Date	10.5 percent, initial, 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are 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 are 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 are 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 are 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 within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
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	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 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 (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent and the City’s proportionate share of the net OPEB liability (asset) if it were calculated using a discount rate that is one percent lower (5.00 percent) or one percent higher (7.00 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB (Asset)	\$ (9,533)	\$ (38,340)	\$ (62,021)

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB (Asset)	\$ (39,274)	\$ (38,340)	\$ (37,294)

Changes between Measurement Date and Report Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’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 OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent
Blended Discount Rate:	
Current Measurement Date	2.96 percent
Prior Measurement Date	3.56 percent
Municipal Bond Rate:	
Current Measurement Date	2.12 percent
Prior Measurement Date	3.75 percent
Cost of Living Adjustments	2.20 percent simple

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged 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. The target asset allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2020, are summarized below:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-U.S. Equity	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	125.00 %	

Note: Assumptions are geometric.

* Levered 2.5x

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

Discount Rate For 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 contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, 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 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, 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.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 510,128	\$ 409,102	\$ 325,769

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

NOTE 14 – OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn three to six weeks of vacation per year depending on length of service. Employees may use accumulated vacation after the completion of one year of service with the City. Upon termination of service, an employee is entitled to receive payment for any unused vacation time plus accrued vacation time earned during the year but not yet credited to vacation leave balance.

Employees earn sick leave at a rate of 4.6 hours per eighty hours of service. Unused sick leave accumulates without limit. Upon retirement or death, street employees with five years of service but less than ten years of service can be paid one-fourth of the outstanding sick leave accumulation up to a maximum payment of \$13,500. Street employees with more than ten years of service can be paid one-half of the outstanding sick leave accumulation up to a maximum payment of \$27,000. Upon retirement or death, firefighters with five years of service but less than ten years of service can be paid one day's pay for every four days of accumulated sick leave, not to exceed payment of 1,080 hours. Firefighters with more than ten years of service can be paid one day's pay for every two days of accumulated sick leave, not to exceed payment of 2,160 hours. Police employees with five years of service but less than ten years of service can be paid one-third of the outstanding sick leave accumulation up to a maximum payment of 60 days. Police employees with more than ten years of service can be paid on-half of the outstanding sick leave accumulation up to a maximum payment of 120 days.

B. Health Insurance

The City provides medical/surgical benefits and prescription drug coverage to employees through Canton Regional Chamber of Commerce and Aultcare. Dental insurance is provided by the City for employees through Delta Dental. Vision insurance is provided by the City for employees through Vision Service Plan. The premiums vary with employee depending on the terms of their contracts.

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

C. Life and Accidental Death and Dismemberment Insurance

The City provides life insurance and accidental death and dismemberment insurance to all eligible full-time union firefighters in the amounts of \$27,500 and \$22,500, respectively; to all eligible full-time union police employees in the amounts of \$25,000 and \$25,000, respectively, and to all eligible full-time non-union employees in the amounts of \$25,000 and \$25,000, respectively, through the Standard Life Insurance Company.

NOTE 15 – CONTINGENCIES

Grants

The City received financial assistance from State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2021.

NOTE 16 – SIGNIFICANT COMMITMENTS

Encumbrance Commitments

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

<u>Fund</u>	<u>Amount</u>
General	\$ 45,650
Ambulance Levy	400
Total	<u>\$ 46,050</u>

NOTE 17 – FUND BALANCE

Fund balance can be 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 funds are presented as follows:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	General Fund	Street Fund	EMS Fund	Storm Sewer Assessment Fund	Fire Truck Levy Fund	Nonmajor Governmental Funds	Total
Nonspendable for:							
Materials and Supplies Inventory	\$ 20,083	\$ 7,443	\$ -	\$ -	\$ -	\$ -	\$ 27,526
Prepaid Items	60,329	-	-	-	-	-	60,329
Total Nonspendable	<u>80,412</u>	<u>7,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,855</u>
Restricted for:							
Capital Outlay	-	-	-	43,750	243,091	340,660	627,501
Street	-	396,440	-	-	-	52,727	449,167
Community Development	-	-	-	-	-	93,633	93,633
Parks and Recreation	-	-	-	-	-	70,100	70,100
EMS	-	-	470,092	-	-	-	470,092
Police and Fire Pension	-	-	-	-	-	21,660	21,660
Other Purposes	-	-	-	-	-	72,220	72,220
Total Restricted	<u>-</u>	<u>396,440</u>	<u>470,092</u>	<u>43,750</u>	<u>243,091</u>	<u>651,000</u>	<u>1,804,373</u>
Committed for:							
Police and Fire							
Uniforms and Equipment	-	-	-	-	-	74,434	74,434
Assigned for:							
Encumbrances							
General Government	21,000	-	-	-	-	-	21,000
Security of Persons and Property	2,650	-	-	-	-	-	2,650
Transportation	22,000	-	-	-	-	-	22,000
Total Assigned	<u>45,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,650</u>
Unassigned	<u>823,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,144) *</u>	<u>820,763</u>
Total Fund Balance	<u>\$ 949,969</u>	<u>\$ 403,883</u>	<u>\$ 470,092</u>	<u>\$ 43,750</u>	<u>\$ 243,091</u>	<u>\$ 722,290</u>	<u>\$ 2,833,075</u>

* Fund balances at December 31, 2021 included a deficit of \$3,144 in the AFG Grant fund.

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

NOTE 18 – INTERFUND TRANSACTIONS

A. Interfund Transfers

The capital improvement fund transferred \$300,000 to the water park fund for debt payments.

B. Interfund Balances

Interfund balances for the year ended December 31, 2021 consisted of the following, as reported on the fund financial statements:

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	<u>Interfund Payable</u>
<u>Interfund Receivable</u>	Non Major Governmental Funds
General Fund	\$ 10,030

The primary purpose of the interfund loans is to cover costs in specific funds where revenues were not received by December 31. These interfund loans will be repaid once the anticipated revenues are received. All interfund loans are expected to be repaid within one year.

NOTE 19 – COVID 19

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

NOTE 20 – SUBSEQUENT EVENT

Historically, the City annually refinances the Water Park debt into a recreational facilities improvement note in June each year. The City issued a recreational facilities improvement note on June 14, 2022 to refinance \$2,440,000 of Water Park debt. The note was issued with an interest rate of 3.375 percent and matures on June 13, 2023.

City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Eight Years (1)

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>							
City's Proportion of the Net Pension Liability	0.001933%		0.002798%		0.002853%		0.002821%
City's Proportionate Share of the Net Pension Liability	\$ 286,235	\$	553,044	\$	781,379	\$	442,553
City's Covered Payroll	\$ 147,136	\$	393,607	\$	385,357	\$	372,793
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	194.54%		140.51%		202.77%		118.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%		82.17%		74.70%		84.66%
<i>Ohio Police and Fire Pension Fund (OPF)</i>							
City's Proportion of the Net Pension Liability	0.038612%		0.035921%		0.035091%		0.032692%
City's Proportionate Share of the Net Pension Liability	\$ 2,632,229	\$	2,419,797	\$	2,864,353	\$	2,006,469
City's Covered Payroll	\$ 882,909	\$	863,628	\$	778,858	\$	712,042
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	298.13%		280.19%		367.76%		281.79%
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.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

	2017	2016	2015	2014
	0.002920%	0.002583%	0.002590%	0.002590%
\$	663,019	\$ 447,408	\$ 312,383	\$ 305,327
\$	377,433	\$ 340,300	\$ 317,450	\$ 241,531
	175.67%	131.47%	98.40%	126.41%
	77.25%	81.08%	86.45%	86.36%
	0.032297%	0.032226%	0.033533%	0.033533%
\$	2,045,682	\$ 2,073,121	\$ 1,737,134	\$ 1,633,148
\$	693,250	\$ 650,321	\$ 667,957	\$ 745,448
	295.09%	318.78%	260.07%	219.08%
	68.36%	66.77%	72.20%	73.00%

City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - Pension
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>					
Contractually Required Contribution	\$ 55,939	\$ 20,599	\$ 55,105	\$ 53,950	\$ 48,463
Contributions in Relation to the Contractually Required Contribution	<u>(55,939)</u>	<u>(20,599)</u>	<u>(55,105)</u>	<u>(53,950)</u>	<u>(48,463)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 399,564	\$ 147,136	\$ 393,607	\$ 385,357	\$ 372,793
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>					
Contractually Required Contribution	\$ 220,183	\$ 188,367	\$ 182,949	\$ 165,669	\$ 151,161
Contributions in Relation to the Contractually Required Contribution	<u>(220,183)</u>	<u>(188,367)</u>	<u>(182,949)</u>	<u>(165,669)</u>	<u>(151,161)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,023,678	\$ 882,909	\$ 863,628	\$ 778,858	\$ 712,042
Contributions as a Percentage of Covered Payroll	21.51%	21.33%	21.18%	21.27%	21.23%

(n/a) Information prior to 2013 is not available.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 45,292	\$ 40,836	\$ 38,094	\$ 31,399	n/a
<u>(45,292)</u>	<u>(40,836)</u>	<u>(38,094)</u>	<u>(31,399)</u>	n/a
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	n/a
\$ 377,433	\$ 340,300	\$ 317,450	\$ 241,531	n/a
12.00%	12.00%	12.00%	13.00%	n/a
\$ 146,992	\$ 138,254	\$ 140,332	\$ 133,078	\$ 126,697
<u>(146,992)</u>	<u>(138,254)</u>	<u>(140,332)</u>	<u>(133,078)</u>	<u>(126,697)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 693,250	\$ 650,321	\$ 667,957	\$ 745,448	\$ 865,130
21.20%	21.26%	21.01%	17.85%	14.64%

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City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Last Five Years (1)

	2021	2020	2019	2018	2017
<i>Ohio Public Employees' Retirement System (OPERS)</i>					
City's Proportion of the Net OPEB Liability (Asset)	0.002152%	0.002956%	0.003008%	0.002976%	0.003081%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (38,340)	\$ 408,300	\$ 392,172	\$ 323,117	\$ 311,191
City's Covered Payroll	\$ 147,136	\$ 393,607	\$ 385,357	\$ 372,793	\$ 377,433
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-26.06%	103.73%	101.77%	86.67%	82.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.04%
<i>Ohio Police and Fire Pension Fund (OPF)</i>					
City's Proportion of the Net OPEB Liability (Asset)	0.038612%	0.035921%	0.035091%	0.032692%	0.032297%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 409,102	\$ 354,813	\$ 319,558	\$ 1,852,294	\$ 1,533,066
City's Covered Payroll	\$ 882,909	\$ 863,628	\$ 778,858	\$ 712,042	\$ 693,250
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	46.34%	41.08%	41.03%	260.14%	221.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

City of Uhrichsville
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - OPEB
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>					
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ 3,728
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	(3,728)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (1)	\$ 399,564	\$ 147,136	\$ 393,607	\$ 385,357	\$ 372,793
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>					
Contractually Required Contribution	\$ 5,118	\$ 4,415	\$ 4,318	\$ 3,894	\$ 3,560
Contributions in Relation to the Contractually Required Contribution	(5,118)	(4,415)	(4,318)	(4,318)	(3,560)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,023,678	\$ 882,909	\$ 863,628	\$ 778,858	\$ 712,042
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.60%	0.50%

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

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 7,549	n/a	n/a	n/a	n/a
<u>(7,549)</u>	n/a	n/a	n/a	n/a
<u>\$ -</u>	n/a	n/a	n/a	n/a
\$ 377,433	n/a	n/a	n/a	n/a
2.00%	n/a	n/a	n/a	n/a
\$ 3,466	\$ 3,252	\$ 3,760	\$ 19,293	\$ 39,778
<u>(3,466)</u>	<u>(3,252)</u>	<u>(3,760)</u>	<u>(19,293)</u>	<u>(39,778)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 693,250	\$ 650,321	\$ 667,957	\$ 745,448	\$ 865,130
0.50%	0.50%	0.60%	2.59%	4.60%

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Discount Rate:

Calendar year 2021	6.90 percent
Calendar year 2020	7.20 percent
Calendar year 2019	7.20 percent
Calendar year 2018	7.50 percent
Calendar year 2017	8.00 percent

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

Changes in Benefit Terms – OPERS

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – OP&F

For 2018, the single discount rate changed from 8.25 percent to 8.00 percent.

Changes in Benefit Terms – OP&F

No significant changes in benefit terms.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Discount Rate:

Calendar year 2021	6.00 percent
Calendar year 2020	3.16 percent
Calendar year 2019	3.96 percent
Calendar year 2018	3.85 percent
Calendar year 2017	4.23 percent

City of Uhrichsville
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Municipal Bond Rate:

Calendar year 2021	2.00 percent
Calendar year 2020	2.75 percent
Calendar year 2019	3.71 percent
Calendar year 2018	3.31 percent

Health Care Cost Trend Rate:

Calendar year 2021	8.50 percent
Calendar year 2020	10.50 percent
Calendar year 2019	10.00 percent
Calendar year 2018	7.50 percent

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple

Changes in Assumptions – OP&F

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Discount Rate:

Calendar year 2021	2.96 percent
Calendar year 2020	3.56 percent
Calendar year 2019	4.66 percent
Calendar year 2018	3.24 percent
Calendar year 2017	3.79 percent

Municipal Bond Rate:

Calendar year 2021	2.12 percent
Calendar year 2020	2.75 percent
Calendar year 2019	4.13 percent
Calendar year 2018	3.16 percent

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

To the Members of Council
City of Uhrichsville
Tuscarawas County, Ohio
305 E. Second Street, P.O. Box 288
Uhrichsville, OH 44683

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Uhrichsville, Tuscarawas 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, and have issued our report thereon dated August 29, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Responses* as items 2021-001, 2021-002 and 2021-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying *Schedule of Findings and Responses* as item 2021-004.

The City's Response to Findings

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

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
August 29, 2022

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses
December 31, 2021

Finding Number: 2021-001

Material Weakness – Internal Controls over Financial Reporting

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. AU-C 265 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, AU-C 265 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Condition: There were material audit adjustments and reclassifications made to the financial statements presented for audit. Misstatements identified during the audit and posted to the financial statements presented for audit include:

- Income tax revenues and cash were understated in the Capital Improvement Fund by \$2,320 and Street Fund by \$17,821 and overstated in the General Fund by \$20,141 due to a posting error.
- Intergovernmental revenues and cash were overstated in the Street Fund and understated in the Motor Vehicle Permissive Tax Fund by \$5,571.
- Contributions and Donations amounting to \$11,475 and miscellaneous revenues of \$9,081 in the Police Uniform and Equipment Fund were misclassified as charges for services and corrected.
- Water Park expenses were misclassified on the financial statements and the following adjustments were required; Personal Services was reduced by \$184,055, Capital Outlay was reduced by \$27,414, Fringe Benefits was increased by \$19,690, Contractual Services was increased by \$155,902 and Materials and Supplies was increased by \$35,877.
- Notes Payable in the amount of \$2,440,000 were incorrectly identified as current liabilities and reclassified to long-term liabilities.
- Intergovernmental receivables and intergovernmental revenues were overstated by the following amounts;
 - General Fund \$65,084
 - Street Fund \$97,498
 - Permissive Fund \$13,758
- Accounts receivable and charges for services in the EMS Fund were understated by \$132,025 as outstanding billed charges were not accounted for.
- Capital asset additions to construction in progress was understated by \$147,485 and corrected.

Cause: The design of internal controls does not include provisions for departments to review actual transactions to the general ledger. The internal controls over the final review of the financial statements did not identify potential misstatements.

Effect: The financial statements presented for audit contained material misstatements.

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses (Continued)
December 31, 2021

Finding Number: 2021 – 001 (continued)

Recommendation: To ensure the City’s financial statements and notes to the financial statements are complete and accurate, the City should adopt policies and procedures, including a final review of the statements and notes by the City Auditor to identify and correct errors and omissions. We further recommend management implement procedures to ensure receipts and disbursements are posted to the proper funds and line item classification within the funds to accurately report the nature of the transaction.

Management’s Response: Procedures have been put in place to facilitate the accurate presentation of the financial statements.

Finding Number: 2021 – 002

Material Weakness – Payroll

Criteria: Payroll is the largest expense incurred by the City. The City’s management is responsible for designing, implementing and maintaining sound internal controls over the payroll process to ensure that payroll is for actual time worked and to ensure that payroll is paid from the fund for which the work was performed.

Condition: During our review of internal controls over the payroll process and payroll testing we noted the following issues;

- Inconsistent supervisory approval of timecards and leave requests.
- Lack of segregation of duties in the payroll process. The City Auditor processes payroll with very little oversight or monitoring. We did not note anything improper in our testing but lack of proper monitoring controls increases risk for errors or improper payments.
- We noted the City does not have any sick and vacation leave policies that detail when, or if, balances will be paid out as well as when balances can be rolled over into the subsequent year. The City operates in accordance with negotiated agreements but there can be confusion in regards to employees not covered by a negotiated agreement.
- Inadequate internal control procedures over review of pay rates in the system to ensure all employees are paid at the correct rate.

Cause: The factors that resulted in the control failures were a lack of oversight and authorization over the payroll process.

Effect: This could cause inaccurate reporting of time to go undetected which could lead to errors in the payroll process. Without proper controls over pay rates entered into the system there is also an increased risk that an employee could be paid an incorrect amount.

Recommendation: We recommend the City re-evaluate the design, implementation and maintenance of internal controls over the payroll process. Internal controls should be sufficient to ensure that payroll expenses are for actual time work and at the correct rate. Evidence should be maintained to support supervisory approval.

Management’s Response: The payroll process will be revised to address deficiencies. Management will be informed of the importance of internal controls and their role in the process. We will continue to work on developing the necessary policies.

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses (Continued)
December 31, 2021

Finding Number: 2021 – 003

Material Weakness – Purchasing Policies and Procedures

Criteria: The purchasing policies and procedures adopted by the City regarding the purchasing of goods and services include preparing a requisition for purchased goods or services, receipting and providing evidence the goods were received in acceptable condition or services were satisfactorily rendered, and obtaining proper authorization of the invoice for payment.

Condition: While obtaining an understanding of the disbursement process, we noted the procedures were not consistently followed by all departments. During our walkthrough procedures, we identified multiple payments made without the required evidence that goods or services were received and no authorization of the invoice for payment was documented. We also noted instances in which payments were processed without approved requisitions or purchase orders.

Cause: The City has accepted verbal authorization for payment of invoices; however, no formal documentation is retained in accordance with the purchasing policy. There were also times when payments were made without following the formal purchase requisition/purchase order process due to time constraints, or documentation was misplaced to support the approval process.

Effect: The lack of accountability for purchasing approval at the City increases the risk of fraud, misappropriation of goods or services, and the risk of misstatement of the financial statements due to error and/or fraud.

Recommendation: We recommend the City ensure all City personnel are aware of the City’s purchasing policies and procedures. This will allow management to improve enforcement of a uniform policy. We further recommend management review the purchasing process to identify and develop procedures to minimize risks relating to unauthorized purchases.

Management’s Response: We will continue to train our employees on the importance of adhering to the established procedures for disbursements. All personnel will be informed of the procedures in place and the expectation to follow them.

Finding Number: 2021 – 004

Material Noncompliance

Criteria: Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Condition: As of December 31, 2021, expenditures plus encumbrances exceeded appropriations in the following funds:

Fund	Appropriations	Expenditures	Variance
Storm Sewer Assessment Fund	\$292,200	\$409,497	\$117,297
Fire Truck Levy Fund	124,500	152,426	27,926
AFG COVID Grant Fund	0	17,492	17,492

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses (Continued)
December 31, 2021

Finding Number: 2021 – 004 (continued)

Cause: Expenditures were not properly monitored throughout the year to ensure expenditures plus encumbrances did not exceed the authorized appropriation amounts. Appropriations were not amended when necessary.

Effect: Keeping expenditures within the appropriated amount is not only required by statute but is a key control in the budgetary and disbursement process to assure that expenditures are properly appropriated for and mitigate the risk of misspending and/or exceeding the available resources.

Recommendation: We recommend City management and Council monitor expenditures and appropriations on a regular basis and amend appropriations if necessary.

Management's Response: Expenditures and appropriations will be closely monitored in the upcoming year to ensure compliance. Amendments to appropriations will be approved as needed.

City of Uhrichsville
Tuscarawas County, Ohio
Summary Schedule of Prior Audit Findings
December 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness – Internal Controls over Financial Reporting	Not Corrected	
2020-002	Material Weakness - Payroll	Not Corrected	
2020-003	Material Weakness – Purchasing policies and procedures	Not Corrected	

OHIO AUDITOR OF STATE KEITH FABER



CITY OF UHRICHSVILLE

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/10/2022

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

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