CITY OF ST. CLAIRSVILLE

BELMONT COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

Julian & Grube

Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Members of Council
City of St. Clairsville
100 North Market Street
St. Clairsville, Ohio 43950

We have reviewed the *Independent Auditor's Report* of the City of St. Clairsville, Belmont County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2022. 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 St. Clairsville is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 29, 2023

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CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

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Independent Auditor's Report

City of St. Clairsville
Belmont County
100 North Market Street
St. Clairsville, Ohio 43950

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Clairsville, Belmont County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of St. Clairsville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Clairsville, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Police, and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of St. Clairsville 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 of St. Clairsville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contribution* 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 8, 2023 on our consideration of the City of St. Clairsville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Clairsville'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 City of St. Clairsville's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
August 8, 2023

The discussion and analysis of the City of St. Clairsville's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2022. 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 2022 are as follows:

- In total, net position increased $3,413,447 from the 2021 total. Net position of governmental activities increased $725,142 or 5.45% from 2021's net position. Net position of business-type activities increased $2,688,305 or 11.59% from 2021's net position.

- General revenues for governmental activities accounted for $3,253,883 or approximately 74.02% of total revenues. Program specific revenues in the form of charges for services, and operating grants, contributions and interest accounted for $1,142,315 or approximately 25.98% of total revenues in the amount of $4,396,198.

- The City had $3,671,056 in expenses related to governmental activities; only $1,142,315 was offset by program specific charges for services, and operating grants, contributions and interest. General revenues in the amount of $3,253,883 were adequate to provide for these programs.

- The City's major governmental funds are the general fund, the police fund, the street fund and the permanent improvement fund. The general fund had revenues of $1,980,569 and expenditures and other financing uses of $1,644,280 during 2022. The net increase in fund balance for the general fund was $336,289 or 11.80%.

- The police fund had revenues and other financing sources of $1,115,469 and expenditures of $1,182,484 during 2022. The net decrease in the fund balance for the police fund was $67,015 or 31.18%.

- The street fund had revenues and other financing sources of $916,879 and expenditures of $913,735 during 2022. The net increase in the fund balance for the street fund was $3,144 or 0.48%.

- The permanent improvement fund had revenues of $696,424 and expenditures of $427,174 during 2022. The net increase in the fund balance for the permanent improvement fund was $269,250 or 15.31%.

- Business-type activities include operations of the City's water, sewer, and light enterprise funds. The net position of the business-type activities totaled $25,879,205 at December 31, 2022. General revenues accounted for $169,750 or 1.62% of total business-type activities revenue, while program specific revenues accounted for $10,328,300 or 98.38% of total business-type activities revenue.

Using this Annual Financial Report

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

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 nonmajor funds presented in total in one column.

Reporting the City of St. Clairsville as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in net position. This change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

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

> Governmental Activities - Most of the City's services are reported here including police, administration, and all departments with the exception of the Water, Sewer, and Light Funds. Included with the governmental activities of the City is the Community Improvement Corporation, a legally separate entity, presented as a blended component unit in accordance with GASB Statement Numbers. 14, 39, and 61.
>
> Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The City's Water, Sewer, and Light systems are reported here.

Reporting the City of St. Clairsville's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds. Based upon restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. The City of St Clairsville's major funds are the General Fund; Police, Street, and the Permanent Improvement Fund; and the Water, Sewer, and Light Proprietary Funds.

Governmental Funds

Most of the City's activities are reported in the 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 the 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 on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled as part of the financial statements.

Proprietary Funds

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Government-Wide Financial Analysis

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 2022 compared to 2021:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Assets						
Current and						
Other Assets	$ 9,856,596	$8,527,703	$ 14,628,300	$12,876,337	$ 24,484,896	$21,404,040
Capital Assets, Net	8,327,982	8,722,496	18,994,730	18,592,486	27,322,712	27,314,982
Total Assets	18,184,578	17,250,199	33,623,030	31,468,823	51,807,608	48,719,022
Deferred Outflows of Resources						
Deferred Charge on Refunding	2,976	3,273	99,732	112,344	102,708	115,617
Pension	608,461	304,274	405,388	190,947	1,013,849	495,221
OPEB	142,060	181,059	20,902	75,079	162,962	256,138
Total Deferred Outflows of Resources	753,497	488,606	526,022	378,370	1,279,519	866,976
Liabilities						
Current Liabilities	577,964	113,903	617,258	518,317	1,195,222	632,220
Long-Term Liabilities						
Due within One Year	34,530	53,542	524,022	513,151	558,552	566,693
Due in More Than One Year:						
Net Pension Liability	1,582,201	1,859,165	654,274	979,278	2,236,475	2,838,443
Net OPEB Liability	219,404	208,983	-	-	219,404	208,983
Other Amounts	259,494	280,274	5,451,555	5,813,676	5,711,049	6,093,950
Total Liabilities	2,673,593	2,515,867	7,247,109	7,824,422	9,920,702	10,340,289
Deferred Inflows of Resources						
Property Taxes/Payment in lieu of taxes	1,100,631	1,159,446	-	-	1,100,631	1,159,446
Payment in Lieu of Taxes	100,000	-	-	-	100,000	-
Pension	822,699	445,137	794,308	466,487	1,617,007	911,624
OPEB	214,661	317,006	228,430	365,384	443,091	682,390
Total Deferred Inflows of Resources	2,237,991	1,921,589	1,022,738	831,871	3,260,729	2,753,460
Net Position						
Net Investment in Capital Assets	8,132,760	8,485,589	13,228,394	12,481,300	21,361,154	20,966,889
Restricted	3,579,827	3,181,787	636,211	530,050	4,216,038	3,711,837
Unrestricted	2,313,904	1,633,973	12,014,600	10,179,550	14,328,504	11,813,523
Total Net Position	$14,026,491	$13,301,349	$25,879,205	$23,190,900	$39,905,696	$36,492,249

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the City's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $14,026,491.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 45.80% of total assets for governmental activities. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, infrastructure, vehicles, and construction in progress. The City's net investment in capital assets at December 31, 2022 was $8,132,760 for governmental 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.

A portion of the City's net position in the governmental activities, $3,579,827, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is $2,313,904.

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 2022 and 2021.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	$623,317	$261,872	$10,328,300	$10,338,021	$10,951,617	$10,599,893
Operating Grants,						
Contributions, and Interest	518,998	736,520	-	-	518,998	736,520
Total Program Revenues	1,142,315	998,392	10,328,300	10,338,021	11,470,615	11,336,413
General Revenues:						
Property Taxes	1,054,688	1,031,818	-	-	1,054,688	1,031,818
Income Taxes	1,479,092	1,305,256	-	-	1,479,092	1,305,256
Kilowatt per Hour Taxes	147,962	164,121	-	-	147,962	164,121
Permissive motor vehicle license tax	52,500	50,534	-	-	52,500	50,534
Payments in lieu of taxes	93,436	93,461	-	-	93,436	93,461
Grants and Entitlements	264,558	247,217	-	-	264,558	247,217
Investment Earnings	83,998	20,701	-	-	83,998	20,701
Other	77,649	69,525	169,750	117,671	247,399	187,196
Total General Revenues	3,253,883	2,982,633	169,750	117,671	3,423,633	3,100,304
Total Revenues	4,396,198	3,981,025	10,498,050	10,455,692	14,894,248	14,436,717
Program Expenses						
General Government						
Legislative and Executive	514,954	685,347	-	-	514,954	685,347
Security of Persons and						
Property - Police	1,361,870	1,137,050	-	-	1,361,870	1,137,050
Leisure Time Services	413,753	315,781	-	-	413,753	315,781
Community and						
Economic Development	102,104	96,316	-	-	102,104	96,316
Transportation	1,275,429	915,691	-	-	1,275,429	915,691
Interest and Fiscal Charges	2,946	4,376	-	-	2,946	4,376
Water	-	-	931,087	677,976	931,087	677,976
Sewer	-	-	1,004,588	888,425	1,004,588	888,425
Light	-	-	5,874,070	4,949,057	5,874,070	4,949,057
Total Expenses	3,671,056	3,154,561	7,809,745	6,515,458	11,480,801	9,670,019
Change in Net Position	725,142	826,464	2,688,305	3,940,234	3,413,447	4,766,698
Net Position at Beginning of Year	13,301,349	12,474,885	23,190,900	19,250,666	36,492,249	31,725,551
Net Position End of Year	$14,026,491	$13,301,349	$25,879,205	$23,190,900	$39,905,696	$36,492,249

Governmental Activities

Governmental activities net position increased $725,142 in 2022. The three primary general revenue sources of governmental activities are property taxes, income taxes, and kilowatt per hours taxes.

Expenses of the governmental activities increased $516,495 or 16.37%. This increase is primarily the result of the increase in police expenditures and transportation costs in 2022.

Operating grants, contributions decreased by $217,522 for governmental activities primarily due to fewer grant monies awarded to the City from the CARES Act as relief from the COVID-19 pandemic compared to prior years.

Security of persons and property – police accounted for 37.10% of the governmental expenses for the City. Transportation accounted for the second largest share of governmental expenses for the City, approximately 34.74%.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The Statement of Activities reflects the cost of program service and the program revenues which offset those services. The net cost of services identifies the cost of those services supported by income taxes, property taxes, unrestricted intergovernmental revenues, and other general revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government				
Legislative and Executive	$ 514,954	$ 685,347	$ 31,919	$ 275,232
Security of Persons and Property				
Police	1,361,870	1,137,050	1,113,356	981,349
Leisure Time Services	413,753	315,781	326,732	275,242
Community and				
Economic Development	102,104	96,316	84,405	78,765
Transportation	1,275,429	915,691	969,383	541,205
Interest and Fiscal Charges	2,946	4,376	2,946	4,376
Total Expenses	$ 3,671,056	$ 3,154,561	$ 2,528,741	$ 2,156,169

The dependence upon general revenues for governmental activities is apparent, with 61.91% of expenses supported through taxes and other general revenues.

Business-Type Activities

Business-type activities include water, sewer and light operations. The major source of revenue for these funds is charges for services, accounting for $10,328,300 or approximately 98.38% of total business-type revenues. General revenues accounted for $169,750 or 1.62% of total business-type activities revenue.

Analyzing the City of St. Clairsville's Funds

The City has four major governmental funds, the General Fund, the Police fund, the Street fund and the Permanent Improvement Fund. These funds are accounted for using the modified accrual method of accounting. The General fund had revenues of $1,980,569 and expenditures and other financing uses of $1,644,280 during 2022. The net increase in fund balance for the general fund was $336,289 or 11.80%. The increase is primarily due to property taxes, income taxes, kilowatt per hour taxes and intergovernmental revenues in continuing to exceed expenditures. Expenditures increased $2,834 due to a tight control of general government expenses by the City.

The police fund had revenues and other financing sources of $1,115,469 and expenditures of $1,182,484 during 2022. The net decrease in the fund balance for the police fund was $67,015 or 31.18%.

The street fund had revenues and other financing sources of $916,879 and expenditures of $913,735 during 2022. The net increase in the fund balance for the street fund was $3,144 or 0.48%.

The permanent improvement fund had revenues of $696,424 and expenditures of $427,174 during 2022. The net increase in the fund balance for the permanent improvement fund was $269,250 or 15.31%. The increase in fund balance was primarily due to revenues continuing to exceed expenditures.

The City has three major proprietary funds, the Water, Sewer, and Light funds. These funds are accounted for on an accrual basis. The Water Fund had operating revenues in the amount of $1,757,598 and operating expenses in the amount of $908,630. Overall, the Water Fund's net position increased $826,511, primarily due to increases in revenues from rate increases and the result of the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). The Sewer Fund had operating revenues in the amount of $1,687,696 and operating expenses in the amount of $963,792. The Sewer Fund's net position increased $683,108, primarily due to increases in revenues from rate increases and the result of the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). The Light Fund had operating revenues in the amount of $7,052,756 and operating expenses in the amount of $5,795,150. The Light Fund's net position increased $1,178,686, primarily due to decreases in purchased power expenses and the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS).

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.

Budgetary information is presented for the general fund and major special revenue funds. In the general fund, the original and final budgeted revenues were both $1,623,000. Actual revenues of $1,993,173 were $370,173 greater than final budgeted revenues. The original and final budgeted expenditures and other financing uses were $1,842,248 and $1,893,443, respectively. Actual expenditures and other financing uses of $1,664,948 were $228,495 less than final budgeted expenditures and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of year 2022, the City's governmental and business-type activities had $27,322,713 in land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure, and vehicles, net of depreciation. Table 4 shows 2022 balances compared with 2021.

Table 4
Capital Assets Net of Depreciation

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 1,360,478	$1,360,478	$ 305,596	$305,596	$ 1,666,074	$1,666,074
Construction In Progress	41,102	15,282	-	-	41,102	15,282
Land Improvements	1,488,667	1,633,219	28,546	30,505	1,517,213	1,663,724
Buildings and Improvements	319,980	318,513	3,131,249	3,253,433	3,451,229	3,571,946
Machinery and Equiptment	354,233	396,652	633,582	646,245	987,815	1,042,897
Infrastructure	4,396,221	4,706,272	14,369,441	13,970,218	18,765,662	18,676,490
Vehicles	367,301	292,080	526,316	386,489	893,617	678,569
Total	$8,327,982	$8,722,496	$18,994,730	$18,592,486	$27,322,712	$27,314,982

See Note 8 for more information on capital assets.

Debt

The outstanding debt for the governmental and business-type activities of the City of St. Clairsville as of December 31, 2022, was $6,071,504 with $531,915 due within one year. Table 5 summarizes outstanding debt.

Table 5
Outstanding Debt at Year End

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$54,346	$59,780	$3,142,590	$3,501,014	$3,196,936	$3,560,794
OPWC Loans	143,981	162,865	266,814	294,020	410,795	456,885
OWDA Loans	-	-	2,463,773	2,436,560	2,463,773	2,436,560
Leases payable	-	17,677	-	-	-	17,677
Total	$198,327	$240,322	$5,873,177	$6,231,594	$6,071,504	$6,471,916

Additional information concerning the City's debt and other long-term obligations, including net pension liability, net OPEB liability, compensated absences, and long-term intergovernmental payables can be found in Note 11.

Current Finance Related Issues

The City implemented a 0.75 percent income tax in 2011, in an effort to recover the loss of revenue that the City has experienced due to the reduction of Local Government Funding from the State, the elimination of Estate Tax, and the elimination of Personal Property Tax.

Contacting the City's Finance Department

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Annette Williams, Finance Director, 100 North Market Street, St. Clairsville, Ohio 43950.

BASIC
FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 7,008,336	$ 12,826,254	$ 19,834,590
Cash and cash equivalents in segregated accounts.	36,898	-	36,898
Receivables:			
Property taxes	1,114,566	-	1,114,566
Income taxes.	482,200	-	482,200
Payment in lieu of taxes	100,000	-	100,000
Accounts.	52,409	976,303	1,028,712
Intergovernmental	296,504	-	296,504
Loans receivable.	559,384	-	559,384
Materials and supplies inventory.	30,813	582,747	613,560
Prepayments	30,914	15,950	46,864
Assets held for resale	32,955	-	32,955
Unamortized bond insurance premium	129	7,108	7,237
Net pension asset	47	92	139
Net OPEB asset.	111,441	219,846	331,287
Capital assets:			
Land and construction in progress.	1,401,580	305,596	1,707,176
Depreciable capital assets, net.	6,926,402	18,689,134	25,615,536
Total capital assets, net.	8,327,982	18,994,730	27,322,712
Total assets	18,184,578	33,623,030	51,807,608
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding .	2,976	99,732	102,708
Pension	608,461	405,388	1,013,849
OPEB	142,060	20,902	162,962
Total deferred outflows of resources	753,497	526,022	1,279,519
Liabilities:			
Accounts payable.	230,457	452,325	682,782
Accrued wages and benefits payable	70,917	72,419	143,336
Intergovernmental payable	28,836	21,923	50,759
Accrued interest payable	267	33,042	33,309
Payroll withholdings payable.	3,456	-	3,456
Unearned revenue	244,031	-	244,031
Refundable deposits	-	37,549	37,549
Long-term liabilities:			
Due within one year	34,530	524,022	558,552
Due greater than one year:			
Net pension liability.	1,582,201	654,274	2,236,475
Net OPEB liability	219,404	-	219,404
Other amounts due in more than one year	259,494	5,451,555	5,711,049
Total liabilities	2,673,593	7,247,109	9,920,702
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	1,100,631	-	1,100,631
Payment in lieu of taxes	100,000	-	100,000
Pension.	822,699	794,308	1,617,007
OPEB	214,661	228,430	443,091
Total deferred inflows of resources	2,237,991	1,022,738	3,260,729
Net position:			
Net investment in capital assets.	8,132,760	13,228,394	21,361,154
Restricted for:			
Debt service	-	636,211	636,211
Capital projects	2,174,042	-	2,174,042
Transportation projects	450,962	-	450,962
Community development programs	909,338	-	909,338
Court and safety programs	20,682	-	20,682
Recreation	23,182	-	23,182
Other purposes.	1,621	-	1,621
Unrestricted	2,313,904	12,014,600	14,328,504
Total net position	$ 14,026,491	$ 25,879,205	$ 39,905,696

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Sales and Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government - legislative and executive	$ 514,954	$ 454,278	$ 28,757	$ (31,919)	$ -	$ (31,919)
Security of persons and property - police	1,361,870	82,814	165,700	(1,113,356)	-	(1,113,356)
Leisure time activity	413,753	68,526	18,495	(326,732)	-	(326,732)
Community and economic development	102,104	17,699	-	(84,405)	-	(84,405)
Transportation	1,275,429	-	306,046	(969,383)	-	(969,383)
Interest and fiscal charges	2,946	-	-	(2,946)	-	(2,946)
Total governmental activities	3,671,056	623,317	518,998	(2,528,741)	-	(2,528,741)
Business-type activities:						
Water	931,087	1,734,681	-	-	803,594	803,594
Sewer	1,004,588	1,678,276	-	-	673,688	673,688
Light	5,874,070	6,915,343	-	-	1,041,273	1,041,273
Total business-type activities	7,809,745	10,328,300	-	-	2,518,555	2,518,555
Total primary government	$ 11,480,801	$ 10,951,617	$ 518,998	(2,528,741)	2,518,555	(10,186)
General revenues:						
Property taxes levied for:						
General purposes				525,352	-	525,352
Police operations				529,336	-	529,336
Income taxes levied for:						
General purposes				761,388	-	761,388
Capital purposes				717,704	-	717,704
Kilowatt per hour tax levied for general purposes				147,962	-	147,962
Permissive motor vehicle license tax				52,500	-	52,500
Payments in lieu of taxes				93,436	-	93,436
Grants and entitlements not restricted to specific programs				264,558	-	264,558
Interest income				83,998	-	83,998
Miscellaneous				77,649	169,750	247,399
Total general revenues				3,253,883	169,750	3,423,633
Change in net position				725,142	2,688,305	3,413,447
Net position at beginning of year				13,301,349	23,190,900	36,492,249
Net position at end of year				$ 14,026,491	$ 25,879,205	$ 39,905,696

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Police	Street	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	$ 2,927,914	$ 150,281	$ 635,323	$ 2,115,663	$ 1,165,165	$ 6,994,346
Cash and cash equivalents in segregated accounts	-	36,898	-	-	-	36,898
Receivables:						
Property taxes	553,748	560,818	-	-	-	1,114,566
Income taxes	241,100	-	-	241,100	-	482,200
Payment in lieu of taxes	-	-	-	-	100,000	100,000
Accounts	30,942	16,310	-	-	5,157	52,409
Intergovernmental	111,797	34,018	150,689	-	-	296,504
Interfund loans	4	-	-	-	-	4
Loans to other funds	68,561	-	-	-	-	68,561
Loans receivable	-	-	-	-	559,384	559,384
Materials and supplies inventory	16,041	14,772	-	-	-	30,813
Prepayments	19,914	9,000	-	-	2,000	30,914
Assets held for resale	-	-	-	-	32,955	32,955
Restricted assets:						
Equity in pooled cash and cash equivalents	13,990	-	-	-	-	13,990
Total assets	$ 3,984,011	$ 822,097	$ 786,012	$ 2,356,763	$ 1,864,661	$ 9,813,544
Liabilities:						
Accounts payable	$ 4,083	$ 4,813	$ 5,617	$ 182,721	$ 33,223	$ 230,457
Accrued wages and benefits payable	4,476	51,438	10,553	-	4,450	70,917
Intergovernmental payable	2,417	23,063	2,659	-	697	28,836
Interfund loans payable	-	-	-	-	4	4
Loans from other funds	-	-	-	-	68,561	68,561
Payroll withholdings payable	3,456	-	-	-	-	3,456
Unearned revenue	-	-	-	-	244,031	244,031
Total liabilities	14,432	79,314	18,829	182,721	350,966	646,262
Deferred inflows of resources:						
Property taxes levied for the next fiscal year	546,889	553,742	-	-	-	1,100,631
Payment in lieu of taxes	-	-	-	-	100,000	100,000
Unavailable revenue	236,044	41,094	103,494	146,703	-	527,335
Total deferred inflows of resources	782,933	594,836	103,494	146,703	100,000	1,727,966
Fund balances:						
Nonspendable	118,506	23,772	-	-	2,000	144,278
Restricted	-	124,175	663,689	2,027,339	1,041,695	3,856,898
Committed	-	-	-	-	405,606	405,606
Assigned	602,625	-	-	-	-	602,625
Unassigned (deficit)	2,465,515	-	-	-	(35,606)	2,429,909
Total fund balances	3,186,646	147,947	663,689	2,027,339	1,413,695	7,439,316
Total liabilities, deferred inflows of resources and fund balances	$ 3,984,011	$ 822,097	$ 786,012	$ 2,356,763	$ 1,864,661	$ 9,813,544

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		$ 7,439,316
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		8,327,982
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	$ 293,406	
Real and other taxes receivable	13,935	
Intergovernmental receivable	219,994	
Total		527,335
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(267)
Unamortized bond insurance premiums are not recognized in the governmental funds.		129
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		2,976
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(95,697)	
General obligation bonds payable	(50,000)	
Premium on general obligation bonds payable	(4,346)	
OPWC loans payable	(143,981)	
Total		(294,024)
The net pension and net OPEB liabilities/assets are not due and payable in the current period; therefore the liabilities/assets and related deferred inflows and outflows are not reported in the governmental funds.		
Net pension asset	47	
Net OPEB asset	111,441	
Deferred outflows-pension	608,461	
Deferred outflows-OPEB	142,060	
Net pension liabililty	(1,582,201)	
Net OPEB liability	(219,404)	
Deferred inflows - pension	(822,699)	
Deferred inflows - OPEB	(214,661)	
Total		(1,976,956)
Net position of governmental activities		$ 14,026,491

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Police	Street	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 527,692	$ 531,474	$ -	$ -	$ -	$ 1,059,166
Income taxes	729,157	-	-	685,473	-	1,414,630
Kilowatt per hour taxes	147,962	-	-	-	-	147,962
Permissive motor vehicle license taxes	-	-	52,500	-	-	52,500
Payment in lieu of taxes	-	-	-	-	93,436	93,436
Charges for services	-	71,620	-	-	54,535	126,155
Licenses and permits	80,392	-	-	-	-	80,392
Fines and forfeitures	24,952	-	-	-	11,194	36,146
Intergovernmental	219,389	70,472	309,648	-	157,258	756,767
Interest income	79,396	-	4,602	-	-	83,998
Rent and royalties	155,007	-	-	-	225,617	380,624
Contributions and donations	-	745	-	-	18,495	19,240
Other	16,622	16,158	129	10,951	33,789	77,649
Total revenues	1,980,569	690,469	366,879	696,424	594,324	4,328,665
Expenditures:						
Current:						
General government - legislative and executive	504,345	-	-	27,464	28,757	560,566
Security of persons and property - police	-	1,163,587	-	-	174,590	1,338,177
Leisure time activity	-	-	-	-	278,658	278,658
Community and economic development	14,935	-	-	-	93,436	108,371
Transportation	-	-	894,851	-	-	894,851
Capital outlay	-	-	-	399,710	1,000	400,710
Debt service:						
Principal retirement	-	17,677	18,884	-	5,000	41,561
Interest and fiscal charges	-	1,220	-	-	1,883	3,103
Total expenditures	519,280	1,182,484	913,735	427,174	583,324	3,625,997
Excess (deficiency) of revenues over (under) expenditures	1,461,289	(492,015)	(546,856)	269,250	11,000	702,668
Other financing sources (uses):						
Transfers in	-	425,000	550,000	-	150,000	1,125,000
Transfers (out)	(1,125,000)	-	-	-	-	(1,125,000)
Total other financing sources (uses)	(1,125,000)	425,000	550,000	-	150,000	-
Net change in fund balances	336,289	(67,015)	3,144	269,250	161,000	702,668
Fund balances at beginning of year	2,850,357	214,962	660,545	1,758,089	1,252,695	6,736,648
Fund balances at end of year	$ 3,186,646	$ 147,947	$ 663,689	$ 2,027,339	$ 1,413,695	$ 7,439,316

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT 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, 2022

Net change in fund balances - total governmental funds		$ 702,668
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	$ 730,883	
Current year depreciation	(1,049,287)	
Total		(318,404)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(76,110)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	64,462	
Real and other taxes	(4,478)	
Intergovernmental revenues	7,549	
Total		67,533
Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		41,561
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	33	
Amortization of bond insurance premium	(13)	
Amortization of deferred amounts on refunding	(297)	
Amortization of bond premiums and discounts	434	
Total		157
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(2,203)
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	205,158	
OPEB	3,206	
Total		208,364
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,606)	
OPEB	103,182	
Total		101,576
Change in net position of governmental activities		$ 725,142

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 488,549	$ 488,549	$ 527,692	$ 39,143
Income taxes	675,000	675,000	742,764	67,764
Kilowatt per hour taxes	145,000	145,000	147,962	2,962
Licenses and permits	105,000	105,000	80,887	(24,113)
Fines and forfeitures	20,900	20,900	24,952	4,052
Intergovernmental	158,551	158,551	218,039	59,488
Interest income	18,000	18,000	80,278	62,278
Rent and royalties	12,000	12,000	154,628	142,628
Other	-	-	15,971	15,971
Total revenues	1,623,000	1,623,000	1,993,173	370,173
Expenditures:				
Current:				
General government	698,401	749,596	524,606	224,990
Community and economic development	18,847	18,847	15,342	3,505
Total expenditures	717,248	768,443	539,948	228,495
Excess of revenues over expenditures	905,752	854,557	1,453,225	598,668
Other financing (uses):				
Transfers (out)	(1,125,000)	(1,125,000)	(1,125,000)	-
Total other financing (uses)	(1,125,000)	(1,125,000)	(1,125,000)	-
Net change in fund balances	(219,248)	(270,443)	328,225	598,668
Fund balances at beginning of year	2,601,084	2,601,084	2,601,084	-
Prior year encumbrances appropriated	12,328	12,328	12,328	-
Fund balance at end of year	$ 2,394,164	$ 2,342,969	$ 2,941,637	$ 598,668

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 562,760	$ 562,760	$ 531,474	$ (31,286)
Charges for services	68,000	68,000	63,110	(4,890)
Intergovernmental	12,700	12,700	70,472	57,772
Contributions and donations	-	12,000	745	(11,255)
Other	20,000	20,000	15,495	(4,505)
Total revenues	663,460	675,460	681,296	5,836
Expenditures:				
Current:				
Security of persons and property - police	1,150,101	1,284,501	1,153,936	130,565
Debt service:				
Principal retirement	17,677	17,677	17,677	-
Interest and fiscal charges	1,273	1,273	1,220	53
Total expenditures	1,169,051	1,303,451	1,172,833	130,618
Excess of expenditures over revenues	(505,591)	(627,991)	(491,537)	136,454
Other financing sources:				
Transfers in	400,000	425,000	425,000	-
Total other financing sources	400,000	425,000	425,000	-
Net change in fund balances	(105,591)	(202,991)	(66,537)	136,454
Fund balances at beginning of year	202,657	202,657	202,657	-
Prior year encumbrances appropriated	6,926	6,926	6,926	-
Fund balance at end of year	$ 103,992	$ 6,592	$ 143,046	$ 136,454

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Permissive motor vehicle license tax	$ 111,000	$ 111,000	$ 93,414	$ (17,586)
Intergovernmental	279,500	279,500	275,303	(4,197)
Investment income	-	-	4,589	4,589
Other	3,000	3,000	129	(2,871)
Total revenues	393,500	393,500	373,435	(20,065)
Expenditures:				
Current:				
Transportation	1,134,859	1,310,859	877,374	433,485
Debt service:				
Principal retirement	18,885	18,885	18,884	1
Total expenditures	1,153,744	1,329,744	896,258	433,486
Excess of expenditures over revenues	(760,244)	(936,244)	(522,823)	413,421
Other financing sources:				
Transfers in	350,000	550,000	550,000	-
Total other financing sources	350,000	550,000	550,000	-
Net change in fund balances	(410,244)	(386,244)	27,177	413,421
Fund balances at beginning of year	603,723	603,723	603,723	-
Prior year encumbrances appropriated	3,799	3,799	3,799	-
Fund balance at end of year	$ 197,278	$ 221,278	$ 634,699	$ 413,421

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Water	**Sewer**	**Light**	**Total**
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	$ 2,954,387	$ 2,688,608	$ 7,145,708	$ 12,788,703
Accounts receivable	161,539	161,477	653,287	976,303
Materials and supplies inventory	162	162	582,423	582,747
Prepayments	5,205	5,055	5,690	15,950
Total current assets	3,121,293	2,855,302	8,387,108	14,363,703
Noncurrent assets:				
Unamortized bond insurance premium	342	207	6,559	7,108
Net pension asset	31	29	32	92
Net OPEB asset	74,856	68,827	76,163	219,846
Capital assets:				
Nondepreciable capital assets	-	-	305,596	305,596
Depreciable capital assets, net	6,448,560	7,675,779	4,564,795	18,689,134
Total capital assets, net	6,448,560	7,675,779	4,870,391	18,994,730
Restricted assets:				
Equity in pooled cash and cash equivalents	20,184	15,446	1,921	37,551
Total noncurrent assets	6,543,973	7,760,288	4,955,066	19,259,327
Total assets	9,665,266	10,615,590	13,342,174	33,623,030
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	6,983	5,032	87,717	99,732
Pension	123,395	160,100	121,893	405,388
OPEB	7,454	8,776	4,672	20,902
Total deferred outflows of resources	137,832	173,908	214,282	526,022
Liabilities:				
Current liabilities:				
Accounts payable	59,457	8,392	384,476	452,325
Accrued wages and benefits payable	22,630	18,817	30,972	72,419
Intergovernmental payable	4,654	14,573	9,659	28,886
Accrued interest payable	8,363	18,066	6,613	33,042
Compensated absences payable - current	1,476	1,326	6,226	9,028
General obligation bonds payable	20,000	10,000	305,000	335,000
OPWC loans payable	3,019	24,734	-	27,753
OWDA loans payable	51,250	94,028	-	145,278
Total current liabilities	170,849	189,936	742,946	1,103,731
Long-term liabilities (net of current portion):				
Refundable deposits payable from restricted assets	20,182	15,446	1,921	37,549
Compensated absences payable	11,788	10,589	49,739	72,116
General obligation bonds payable	130,627	82,262	2,594,701	2,807,590
OPWC loans payable	209,469	29,592	-	239,061
OWDA loans payable	1,096,125	1,222,370	-	2,318,495
Intergovernmental payable	-	14,293	-	14,293
Net pension liability	222,776	204,832	226,666	654,274
Total long-term liabilities	1,690,967	1,579,384	2,873,027	6,143,378
Total liabilities	1,861,816	1,769,320	3,615,973	7,247,109

- (Continued)

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS - (CONTINUED)
DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Water	**Sewer**	**Light**	**Total**
Deferred inflows of resources:				
Pension	$ 269,878	$ 249,839	$ 274,591	$ 794,308
OPEB	77,341	72,397	78,692	228,430
Total deferred inflows of resources	347,219	322,236	353,283	1,022,738
Net position:				
Net investment in capital assets	4,945,395	6,218,032	2,064,967	13,228,394
Restricted for debt service	80,010	262,425	293,776	636,211
Unrestricted	2,568,658	2,217,485	7,228,457	12,014,600
Total net position	$ 7,594,063	$ 8,697,942	$ 9,587,200	$ 25,879,205

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Water	**Sewer**	**Light**	**Total**
Operating revenues:				
Charges for services	$ 1,734,681	$ 1,678,276	$ 6,915,343	$ 10,328,300
Other	22,917	9,420	137,413	169,750
Total operating revenues	1,757,598	1,687,696	7,052,756	10,498,050
Operating expenses:				
Personal services	466,747	378,955	475,433	1,321,135
Contractual services	84,622	67,983	102,880	255,485
Purchased power	-	-	4,762,296	4,762,296
Materials and supplies	49,950	186,256	18,909	255,115
Depreciation	305,865	330,598	435,632	1,072,095
Other	1,446	-	-	1,446
Total operating expenses	908,630	963,792	5,795,150	7,667,572
Operating income	848,968	723,904	1,257,606	2,830,478
Nonoperating (expenses):				
Interest and fiscal charges	(22,457)	(40,796)	(78,920)	(142,173)
Change in net position	826,511	683,108	1,178,686	2,688,305
Net position at beginning of year	6,767,552	8,014,834	8,408,514	23,190,900
Net position at end of year	$ 7,594,063	$ 8,697,942	$ 9,587,200	$ 25,879,205

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Water	**Sewer**	**Light**	**Total**
Cash flows from operating activities:				
Cash received from customers	$ 1,719,654	$ 1,664,016	$ 6,962,864	$ 10,346,534
Cash received from other operations	22,917	9,420	137,413	169,750
Cash payments for employee services and benefits	(582,974)	(515,424)	(609,216)	(1,707,614)
Cash payments for contractual services	(84,253)	(64,694)	(103,291)	(252,238)
Cash payments for purchased power	-	-	(4,709,571)	(4,709,571)
Cash payments for materials and supplies	(54,343)	(183,776)	(38,182)	(276,301)
Cash payments for other expenses	(1,446)	-	-	(1,446)
Net cash provided by operating activities	1,019,555	909,542	1,640,017	3,569,114
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(688,538)	(110,787)	(625,219)	(1,424,544)
Proceeds of OWDA loan	171,908	-	-	171,908
Principal retirement on general obligation bonds	(10,000)	(10,000)	(305,000)	(325,000)
Principal retirement on OPWC loans	(2,960)	(24,246)	-	(27,206)
Principal retirement on OWDA loans	(50,667)	(94,028)	-	(144,695)
Interest and fiscal charges	(23,206)	(42,341)	(99,961)	(165,508)
Net cash used in capital and related financing activities	(603,463)	(281,402)	(1,030,180)	(1,915,045)
Net change in cash and cash equivalents	416,092	628,140	609,837	1,654,069
Cash and cash equivalents at beginning of year	2,558,479	2,075,914	6,537,792	11,172,185
Cash and cash equivalents at end of year	$ 2,974,571	$ 2,704,054	$ 7,147,629	$ 12,826,254

- *(Continued)*

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Water	**Sewer**	**Light**	**Total**
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 848,968	$ 723,904	$ 1,257,606	$ 2,830,478
Adjustments:				
Depreciation	305,865	330,598	435,632	1,072,095
Changes in assets, deferred inflows of resources, liabilities and deferred outflows of resources:				
Change in materials and supplies inventory	15	15	(16,258)	(16,228)
Change in accounts receivable	(15,027)	(14,260)	47,521	18,234
Change in prepayments	1,617	1,710	5,249	8,576
Change in net pension asset	27	14	27	68
Change in net OPEB asset	(34,734)	(39,299)	(35,467)	(109,500)
Change in deferred outflows of resources - pension	(42,147)	(119,235)	(53,059)	(214,441)
Change in deferred outflows of resources - OPEB	26,454	5,775	21,948	54,177
Change in accounts payable	(4,786)	1,379	45,682	42,275
Change in accrued wages and benefits	3,989	1,878	3,608	9,475
Change in intergovernmental payable	(3,178)	2,663	1,390	875
Change in compensated absences payable	3,000	621	3,546	7,167
Change in net pension liability	(133,289)	(57,222)	(134,493)	(325,004)
Change in deferred inflows of resources - pension	111,370	107,387	109,064	327,821
Change in deferred inflows of resources - OPEB	(48,589)	(36,386)	(51,979)	(136,954)
Net cash provided by operating activities	$ 1,019,555	$ 909,542	$ 1,640,017	$ 3,569,114

Non-Cash Transactions:

The Water fund purchased $58,311 of capital assets on account at December 31, 2022.
The Sewer fund purchased $5,354 of capital assets on account at December 31, 2021.
The Light fund purchased $504 and $3,666 of capital assets on account at December 31, 2022 and December 31, 2021, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	$ 1,691
Receivables:	
Accounts	645
Total current assets	2,336
Liabilities:	
Intergovernmental payable	368
Net position:	
Restricted for other governments	$ 1,968

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial
Additions:	
Fines and forfeitures for other governments . .	$ 11,737
Deductions:	
Fines and forfeitures distributions to other governments	10,205
Change in net position	1,532
Net position at beginning of year.	436
Net position at end of year	$ 1,968

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CITY

The City of St. Clairsville, (the "City"), is a body politic, incorporated as a village in 1801, and became a city on March 20, 1977. The City merged with St. Clairsville Township on January 1, 1994. The City is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a "Mayor-Council-Manager" form of government. The Council and Mayor are elected. The Council appoints a Manager who is the Chief Administrative Officer of the City. The Finance Director is also appointed by Council.

Legislative power is vested in a seven-member Council; three are elected at large and four are elected from wards established in the City. The Ward Council and At-Large Council members are elected at the regular City elections. The terms of the members are for four years, commencing at the first regular meeting in January following their election and continuing until their successors have been elected and sworn in.

The Mayor is elected at the regular City election and every fourth year thereafter. The Mayor serves a four year term. The Mayor, when authorized by Council, serves as judge and has all the judicial powers granted generally by the laws of Ohio to mayors of municipalities of St. Clairsville's class. The President of Council presides at Council meetings but has no vote therein, unless there is a tie. In the event of a tie, the President of Council casts the tie breaking vote. The Mayor is the official and ceremonial head of the City government.

The City's Manager (Service Director) is appointed by the Mayor, subject to a majority vote of Council, to an indefinite term, not to exceed the Mayor's term. The Service Director may be removed from office by the Mayor, subject to the approval of two-thirds of the Council. The Service Director is responsible to Council for the administration of all affairs of the City and the enforcement of all laws and ordinances within the scope of the designated powers and duties of the office. The Service Director has the power to appoint, promote, transfer, reduce or remove, subject to the provisions of the Charter and enactments of Council, any officer or employee of the City, except those required by the Charter to be elected and those whose appointment or term of office may otherwise be provided for in the Charter.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, the City's financial statement includes all funds, agencies, boards, commissions, and departments for which the City is financially accountable.

The primary government of the City consists of all funds, agencies, departments and offices that are not legally separate from the City. The primary government includes the City departments and agencies that provide the following services: police, parks and recreation, cemetery, planning, zoning, street maintenance and repairs, water, sewer and electric utilities, and general administrative services. The operation of these activities is directly controlled by Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

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

Component units are legally separate organizations for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. Based upon the application of these criteria, the City has one blended component unit.

Blended Component Unit - The St. Clairsville Community Improvement Corporation (the "CIC") is a legally separate organization, which is governed by the voting membership. All members of the St. Clairsville City Council are voting members of the CIC. The purpose of the CIC is to provide economic development opportunities for the City. The City can impose its will on the CIC and has a financial benefit/burden relationship with the CIC. In addition, the City provides management of the CIC. The CIC is a blended component unit of the City and is reported as a special revenue fund. Separately issued financial statements can be obtained from the St. Clairsville Community Improvement Corporation.

The following potential component units have been excluded from the City's financial statements because the City is not financially accountable for them nor are these entities for which the City approves the budget, issues debt or levies taxes:

St. Clairsville-Richland City School District
St. Clairsville Public Library
Belmont County Transportation Improvement District

The following organizations are described due to their relationship with the City:

JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Governments Association (OMEGA): OMEGA is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas Counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application of Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a twenty-one member executive board comprised of members appointed from each participating county and the cities within each county. City membership is voluntary. The mayor of the City of St. Clairsville serves as the City's representative on the Board. The Board exercises total control over the operations of the OMEGA including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Each member currently pays a per capita membership fee based upon the most recent United States census. During 2022, the City made $60 in contributions to OMEGA. Information can be obtained from 326 Highland Avenue, PO Box 130, Cambridge, Ohio 43725.

Bel-O-Mar Regional Council: Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County and three counties in West Virginia. The governing board is comprised of 46 officials from the four county service area of which five are appointed by Belmont County. The Board exercises total control over the operations of the council including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Council. The City made $1,682 in contributions to Bel-O-Mar during 2022.

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

Memorial Park District of the City of St. Clairsville and Richland Township (Park District): The Park District was created by a resolution of both the City of St. Clairsville and Richland Township under the authority of Ohio Revised Code Chapter 1545. The Park District is operated by a five member board. Two members are appointed by St. Clairsville City Council, two members are appointed by Richland Township, and one member is appointed by the Belmont County probate court judge. The City cannot influence the Park District's operations. The Park District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Park District nor is the Park District financially dependent on the City. The Park District serves as its own budgeting, taxing and debt issuance authority.

Cumberland Trail Fire District (Fire District): The Fire District was created by a resolution of both the City of St. Clairsville and Richland Township under the authority of Ohio Revised Code Section 505.371. The Fire District is operated by a four member board. One member is appointed by the City, one member is appointed by Richland Township, and the remaining two members are appointed by the existing board members. The Fire District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Fire District nor is the Fire District financially dependent on the City. The Fire District serves as its own budgeting, taxing and debt issuance authority.

Belmont County Major Crime Unit (BCMCU): The BCMCU was created by a resolution and an agreement between the Belmont County Sheriff's Office, the police departments of the City of St. Clairsville, the City of Martin's Ferry, and all the villages located in Belmont County under the authority of Ohio Revised Code Sections 311.07, 505.43, and 737.04. The Belmont County Sheriff serves as the director of the BCMCU. The BCMCU is governed by an Advisory Board consisting of the Belmont County Sheriff, the Belmont County Prosecutor, and the chief of police of each participating political subdivision. Each participant's degree of control is limited to its representation on the Board. All participating agencies agree that any mandatory fines collected shall be placed in an indemnity fund, administered by the Belmont County Sheriff's Office. The indemnity fund shall be used to subsidize the cost of BCMCS investigations. The City made no contributions to BCMCU during 2022.

Regional Income Tax Agency (RITA): RITA is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operating including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA $54,579 for income tax collection services.

B. Basis of Presentation - Fund Accounting

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

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

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

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

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

C. Fund Accounting

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

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

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

Police fund - The police fund is to account for the property taxes levied in the City for the operation of its police department.

Street fund - The street fund is to account for revenue derived from permissive motor vehicle license taxes, motor vehicle licenses, gasoline taxes, state and local highway funds, and interest income. The fund is used to finance the activities of the street department of the City.

Permanent improvement fund - The permanent improvement fund is to account for income taxes and transfers expended for the construction and repair/improvements of various City properties and facilities.

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

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

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

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

<u>Water fund</u> - The water fund accounts for the provision of water service to its residential and commercial users located within the City.

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

<u>Light fund</u> - The light fund accounts for revenues generated from charges for electric services provided to residential and commercial users of the City.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary fund is a custodial fund, which accounts for Mayor's Court collections that are distributed to the State of Ohio.

D. Measurement Focus and Basis of Accounting

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

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

Like the government-wide statements, all proprietary funds and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred inflows of resources, liabilities and deferred outflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

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

E. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payment in lieu of revenue, 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 6.B.). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6.A.). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

F. Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents 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 budgetary control has been established by Council at the object level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the final appropriations were enacted by Council.

The appropriations 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.

The Community Improvement Corporation is a legally separate organization. Although the component unit is blended and is presented as a special revenue fund, the City is not required to budget resources nor appropriate funds, and therefore budgetary information will not be presented.

G. Cash and Cash Equivalents

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

Investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2022, interest revenue credited to the general fund amounted to $79,396, which includes $66,793 assigned from other City funds.

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

For purpose of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent that the investment was purchased from a specific fund.

The City has a segregated bank account for monies held separate from the City's central bank account. This interest-bearing depository account is presented on the financial statements as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the City treasury.

An analysis of the City's depository accounts at year-end is provided in Note 4.

H. Inventories of Materials and Supplies

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

On the fund financial statements, reported material and supplies inventory is equally offset as a component of nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset 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 $10,000. 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 reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental and Business-Type Activities Estimated Lives
Land improvements	20 Years
Buildings and building improvements	21-50 Years
Machinery and equipment	5-40 Years
Infrastructure	15-75 Years
Vehicles	8-15 Years

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

The City's infrastructure consists of streets, sidewalks, storm sewers, water lines, sewer lines, street lights and traffic signals. For 2004, the City reported governmental activities infrastructure for the first time. The City only reports the amounts required after 2004.

J. 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 all employees with more than one year of service, as the balances can be carried beyond the year of accrual.

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16, "Accounting for Compensated Absences".

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. At December 31, 2022, the City had no matured compensated absences payable. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepaid Items

Prepayments made to vendors for services that will benefit future periods beyond December 31, 2022 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans and capital leases are recognized as a liability on the government fund financial statements when due. 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.

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

M. Fund Balance

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

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

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

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

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

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

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

N. 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 Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2022.

O. Estimates

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

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

P. Interfund Activity

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

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

Q. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for other purposes are primarily for net position of the miscellaneous court/safety special revenue fund and unclaimed monies.

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

R. 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, sewer and light enterprise funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these descriptions are reported as nonoperating revenues and expenses.

S. Unamortized Bond Premiums, Refunding Difference and Prepaid Bond Insurance

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

Prepaid bond insurance is amortized over the term of the bonds using the straight-line method.

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

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

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

T. Interfund Balances

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

U. Restricted Assets

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

Customer deposits are classified as restricted assets on the statement of net position - proprietary funds because the deposit remains the property of the customer. The restricted asset account is balanced by a deposits held and due to other liability account. Restricted assets of the City also include unclaimed monies.

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. Contributions of Capital

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

X. Assets Held for Resale

As part of the economic development program, the Community Improvement Corporation has acquired land from the City. This property is intended to be sold to promote economic development within the City.

Y. Unearned Revenue

Unearned revenue arises when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2022, the City has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the City.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

B. Deficit Fund Balances

The fund balance of the Community Improvement Corporation nonmajor special revenue fund was deficit $35,606 at December 31, 2022. The general fund is liable for the deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

1. Bonds of the State of Ohio;

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

3. Obligations of the City.

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

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. Excepted as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash in Segregated Accounts

At year end, the City had $36,898 deposited with a financial institution for monies related to the police department. The entire balance is covered by the FDIC. The amount is included in the City's depository balance below.

B. Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all City deposits was $19,873,179 and the bank balance of all City deposits was $20,161,581. Of the bank balance, $250,000 was covered by the FDIC and $19,911,581 was covered by the Ohio Pooled Collateral System (OPCS).

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the City's financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Investments

The City had no investments at December 31, 2022.

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported on the fund financial statements:

Transfers from the General fund to:	
Police	$ 425,000
Street	550,000
Nonmajor governmental	150,000
Total	$ 1,125,000

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financial statements. All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Interfund loans receivable/payable at December 31, 2022 consisted of the following individual short-term interfund receivable and payables:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental fund	$ 4

The short-term interfund loan receivable balances in the general fund resulted from advances made to provide working capital for a grant program in the miscellaneous public safety nonmajor special revenue fund. The advance was authorized by resolution of the County Commissioners. Short-term interfund loans between governmental funds are eliminated for reporting on the statement of net position.

C. Loans to/from other funds at December 31, 2022 consisted of the following individual long-term interfund receivable and payables:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental fund	$ 68,561

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The amount due to the general fund from nonmajor governmental funds relates to property tax payments made by the City on behalf of the Community Improvement Corporation. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - TAXES

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of St. Clairsville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2022 was $12.10 per $1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$114,259,280
Commercial/industrial	25,676,290
Public utility	
Personal	1,692,990
Total assessed value	$141,628,560

B. Income Taxes

The City levies an income tax of 0.75 percent on every individual taxpayer who resides in the City of St. Clairsville, as well as all non-resident individuals who receive net profits, salaries, wages, commissions or other personal service compensation for work done, or services performed or rendered inside the City of St. Clairsville.

NOTE 6 - TAXES - (Continued)

Residents of the City who receive net profits, salaries, wages, commissions or other personal service compensation for work done, or services performed or rendered outside the City of St. Clairsville are allowed a credit for any income taxes assessed upon them by outside municipalities. The credit is for any income taxes paid to another municipality, up to 50 percent of the income tax assessed by the City of St. Clairsville.

The general fund and the permanent improvement fund reach receive 50 percent of income tax revenues.

The Regional Income Tax Agency (RITA) administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 1.2 percent.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, accounts (billings for user charged services including unbilled utility services), accrued interest, loans and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Except as noted below, all other receivables are expected to be collected within one year.

Delinquent property taxes deemed collectible by the County Auditor are recorded as a receivable in the amount of $13,935 may not be collected within one year.

The other governmental funds reflect loans receivable of $559,384. These loans receivable are for financing the rehabilitation of downtown local businesses for community and economic development. Of the total loans receivable, $7,000 is scheduled to be collected within one year.

A summary of the principal items of intergovernmental receivables is as follows:

<u>**Governmental activities:**</u>	
Local government revenue	$ 87,159
Homestead/rollback reimbursement	58,656
Motor vehicle license and gasoline tax	150,689
Total governmental activities	$ 296,504

<u>Revenue in Lieu of Taxes Receivable</u>

In accordance with State law, the City established a tax increment financing ordinance for parcels known as the St. Clair Commons, for which the City has granted property tax exemptions to construct certain infrastructure improvements. On April 13, 2017, the Columbus-Franklin Finance Authority (Authority) issued $2,335,000 in Series 2017 A revenue bonds, as part of the St. Clair Commons Public Infrastructure Project to finance the improvements, with interest payments beginning in 2017 (paid with the bonds' premium reserve), and the first principal payment beginning in 2019. The property owners have agreed to make payments to the City to reimburse annual debt service on the bonds, and to offset the affected school districts. The amount of those payments generally reflects all of the property taxes which the property owners would have paid if the improvements on the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes will continue for the length of the agreement, which is not to exceed 30 years. For 2022, the estimated receivable for revenue in lieu of taxes in the amount of $100,000 remains deferred.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

Governmental activities:	Balance 12/31/21	Additions	Disposals	Balance 12/31/22
Capital assets, not being depreciated:				
Land	$ 1,360,478	$ -	$ -	$ 1,360,478
Construction in progress	15,282	25,820	-	41,102
Total capital assets, not being depreciated	1,375,760	25,820	-	1,401,580
Capital assets, being depreciated:				
Land improvements	4,669,226	-	-	4,669,226
Buildings and improvements	1,418,935	32,994	-	1,451,929
Machinery and equipment	800,481	56,465	(56,673)	800,273
Infrastructure	18,485,380	303,601	-	18,788,981
Vehicles	964,050	312,003	(183,079)	1,092,974
Total capital assets, being depreciated	26,338,072	705,063	(239,752)	26,803,383
Less: accumulated depreciation:				
Land improvements	(3,036,007)	(144,552)	-	(3,180,559)
Buildings and improvements	(1,100,422)	(31,527)	-	(1,131,949)
Machinery and equipment	(403,829)	(56,379)	14,168	(446,040)
Infrastructure	(13,779,108)	(613,652)	-	(14,392,760)
Vehicles	(671,970)	(203,177)	149,474	(725,673)
Total accumulated depreciation	(18,991,336)	(1,049,287)	163,642	(19,876,981)
Total capital assets, being depreciated, net	7,346,736	(344,224)	(76,110)	6,926,402
Governmental activities capital assets, net	$ 8,722,496	$ (318,404)	$ (76,110)	$ 8,327,982

NOTE 8 - CAPITAL ASSETS - (Continued)

Business-type activities:	Balance 12/31/21	Additions	Disposals	Balance 12/31/22
Capital assets, not being depreciated:				
Land	$ 305,596	$ -	$ -	$ 305,596
Total capital assets, not being depreciated	305,596	-	-	305,596
Capital assets, being depreciated:				
Land improvements	67,975	-	-	67,975
Buildings and improvements	5,043,063	-	-	5,043,063
Machinery and equipment	2,694,372	43,306	-	2,737,678
Infrastructure	25,855,745	957,961	-	26,813,706
Vehicles	1,323,957	473,072	(64,061)	1,732,968
Total capital assets, being depreciated	34,985,112	1,474,339	(64,061)	36,395,390
Less: accumulated depreciation:				
Land improvements	(37,470)	(1,959)	-	(39,429)
Buildings and improvements	(1,789,630)	(122,184)	-	(1,911,814)
Machinery and equipment	(2,048,127)	(55,970)	-	(2,104,097)
Infrastructure	(11,885,527)	(558,737)	-	(12,444,264)
Vehicles	(937,468)	(333,245)	64,061	(1,206,652)
Total accumulated depreciation	(16,698,222)	(1,072,095)	64,061	(17,706,256)
Total capital assets, being depreciated, net	18,286,890	402,244	-	18,689,134
Business-type activities capital assets, net	$ 18,592,486	$ 402,244	$ -	$ 18,994,730

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 29,942
Security of persons and property	64,969
Transportation	775,555
Leisure time activity	178,821
Total depreciation expense - governmental activities	$ 1,049,287
Business-type activities:	
Water	$ 305,865
Sewer	330,598
Light	435,632
Total depreciation expense - business-type activities	$ 1,072,095

NOTE 9 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation time based on the length of service. Typically, vacation cannot be carried over; however, unforeseen circumstances may come into play and the supervisor may elect to permit an employee to carryover minimal vacation time. Balances available at year end have been approved for carryover and are a component of compensated absences. Sick leave accumulates at a rate of 4.6 hours per each 80 hours worked. For employees that work less than a 40-hour work week, the sick leave accumulation is prorated based on 4.6 hours per 80 hours worked. All accumulated, unused vacation time and personal days are paid upon separation if the employee has acquired at least one year of service with the City. Upon separation, AFSCME members and non-union employees other than police, are paid for a maximum of 480 hours of accumulated sick time provided they have ten years of service with OPERS. Police are paid a maximum of 600 hours of accumulated sick time provided they have ten years of service with the City.

B. Insurances

The City provides medical/surgical and prescription drug insurance for all eligible employees through Anthem Blue Cross Blue Shield. The monthly premium for medical/surgical and prescription drug coverage is $1,777.53 for family plan, $1,265.63 for a spousal plan, $971.97 for a dependent child plan, and $575.81 for a single plan. The City pays 90% of the premiums.

The City provides dental insurance coverage for all eligible employees through Delta Dental. The monthly premium for dental coverage is $23.35 for a single plan, 44.85 for a one dependent plan and $87.47 for a two or more dependent plan. The City pays 100% of the premiums.

The City provides vision insurance coverage for all AFSCME and FOP union employees through Vision Service Plan. The monthly premium for vision coverage is $7.25 a month, the city pays 100% of the premiums. Elected officials and full-time non-union employees may purchase vision insurance at a premium of $23.68 per month.

The City provides a life insurance policy, in the amount of $25,000, for all eligible (non-police employees) through The Lincoln National Life Insurance Co. The monthly premium for life insurance policy is $6.26; the City pays 100% of the premiums. The City provides police personnel with a life insurance policy in the amount of $50,000, with a monthly premium of $12.50. The City pays 100% of the premiums.

NOTE 10 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2022.

B. Litigation

The City is currently party to legal proceeds. The City management is of the opinion that pending litigation will not have a material effect, if any, on the financial condition of the City.

NOTE 10 - CONTINGENCIES - (Continued)

C. Component Unit Tax-Exempt Status

On March 18, 2013, the City was notified that effective May 15, 2012, the Internal Revenue Service revoked the Community Improvement Corporation's status as a tax-exempt organization.

D. Paid Up Oil/Gas Leases

The City has entered into several "paid-up" oil and gas leases. In consideration of the lease agreements, the City has received various signing bonuses. During 2022, the City received a signing bonus in the amount of $273,740. Royalties are paid for all oil and other liquid hydrocarbons and by-products produced and saved from the land, and all gas and other hydrocarbons and by-products. For 2022, the City received royalty payments of $46,527. As of the date of the financial statements, the value of any future royalties cannot be reasonably determined.

NOTE 11 - LONG-TERM OBLIGATIONS

A. During 2022, the following changes occurred in the City's governmental activities long-term obligations:

	Interest Rate	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
Governmental activities:						
OPWC Loans (direct borrowing):						
Bett-Mar (CR10L) - 2008	0.00%	$ 43,723	$ -	$ (5,829)	$ 37,894	$ 5,829
St. Clairsville Road Project (CR25M) - 2010	0.00%	44,266	-	(4,919)	39,347	4,919
Resufacing 22 Roads (CR03N) - 2011	0.00%	38,160	-	(3,816)	34,344	3,816
Road Resurfacing (CR02Q) - 2014	0.00%	36,716	-	(4,320)	32,396	4,320
Total OPWC loans		162,865	-	(18,884)	143,981	18,884
General obligation bonds:						
2016 refunding bonds - recreation	2%-4%	55,000	-	(5,000)	50,000	5,000
Premium		4,780	-	(434)	4,346	-
Total general obligation bonds		59,780	-	(5,434)	54,346	5,000
Other long-term liabilities:						
Financed purchase agreement		17,677	-	(17,677)	-	-
Net pension liability		1,859,165	-	(276,964)	1,582,201	-
Net OPEB liability		208,983	10,421	-	219,404	-
Compensated absences		93,494	41,694	(39,491)	95,697	10,646
Total other long-term liabilities		2,179,319	52,115	(334,132)	1,897,302	10,646
Total governmental activities long-term liabilities		$ 2,401,964	$ 52,115	$ (358,450)	$ 2,095,629	$ 34,530

OPWC loans - The City received loans from the Ohio Public Works Commission (OPWC) to fund various road projects. The payments on the loans are made using gasoline and motor vehicle tax money. There is no interest on these loans.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

Financed purchase agreement - In 2020, the City entered into a $52,565 financed purchase agreement for the purchase of a police cruiser. The agreement had an interest rate of 6.90%. The payments were made from the police fund. Payments are reflected as debt service expenditures in the financial statements and as functional expenditures in the budgetary statements. The City has no future obligations outstanding related to this debt as of December 31, 2022.

General obligation bonds - 2016 refunding bonds - On July 13, 2016, the City issued $4,810,000 of general obligation refunding bonds which included serial and term bonds in the amount of $3,245,000 and $1,565,000, respectively. These bonds were issued to partially refund the 2007 various purpose bonds, as well as pay the costs of issuance of these bonds. The governmental activities portion of the 2007 various purpose bonds were used to pay for the costs of improvements to the City's recreational facilities. The refunding bonds bear interest rates ranging from 2% - 4% and mature on December 1, 2032. The governmental activities portion of these bonds is retired from the recreation fund, a nonmajor governmental fund.

The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2032 using the straight-line method.

Net pension liability and net OPEB liability - See Notes 13 and 14 for details on the City's net pension liability and net OPEB liability, respectively. The net pension and net OPEB liabilities will be paid primarily from the general fund, police fund, street fund and the following nonmajor governmental fund: recreation fund.

Compensated absences - Compensated absences for governmental activities will be paid from the fund in which the employee who has earned the leave is paid from, which, for the City, is primarily the general fund, police fund, street fund and the following nonmajor governmental fund: recreation fund.

B. The annual requirements amortize governmental activities long-term obligations outstanding as of December 31, 2022, are as follows:

Year	G. O. Bonds - 2016 Refunding			OPWC Loans - Direct Borrowing		
Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 5,000	$ 1,600	$ 6,600	$ 18,884	$ -	$ 18,884
2024	5,000	1,400	6,400	18,883	-	18,883
2025	5,000	1,200	6,200	18,884	-	18,884
2026	5,000	1,000	6,000	18,883	-	18,883
2027	5,000	800	5,800	18,884	-	18,884
2028 - 2032	25,000	2,200	27,200	49,563	-	49,563
Totals	$ 50,000	$ 8,200	$ 58,200	$ 143,981	$ -	$ 143,981

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

C. During 2022, the following changes occurred in the City's business-type activities long-term obligations:

	Interest Rate	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
Business-type activities:						
OWDA loans - direct borrowings:						
WWTP improvements - #7233	2.71%	$ 1,410,426	$ -	$ (94,028)	$ 1,316,398	$ 94,028
New reservoir improvement - #8368	0.6 - 1.85%	1,025,510	-	(50,667)	974,843	51,250
I-70 Underpass Watermain - #9771	2.10%	-	3,315	-	3,315	-
East end Belmont county water connection - #9484	1.28%	624	168,593	-	169,217	-
Total OWDA loans		2,436,560	171,908	(144,695)	2,463,773	145,278
OPWC loans - direct borrowings:						
Belmont Dr. pump station replace. - CR20H	0.02%	23,294	-	(4,048)	19,246	4,129
East Main force liner - CR23F	0.02%	31,763	-	(12,516)	19,247	12,768
Wastewater system repairs - CR13E	0.02%	23,515	-	(7,682)	15,833	7,837
Water transmission system - CR05H	0.02%	13,794	-	(2,960)	10,834	3,019
New reservoir improvement - CR24V	0.00%	201,654	-	-	201,654	-
Total OPWC loans		294,020	-	(27,206)	266,814	27,753
General obligation bonds:						
2016 refunding bonds - water system	2%-4%	150,000	-	(10,000)	140,000	20,000
Premium		11,689	-	(1,062)	10,627	-
2016 refunding bonds - sewer system	2%-4%	95,000	-	(10,000)	85,000	10,000
Premium		8,127	-	(865)	7,262	-
2016 refunding bonds - light system	2%-4%	2,985,000	-	(305,000)	2,680,000	305,000
Premium		251,198	-	(31,497)	219,701	-
Total general obligations bonds		3,501,014	-	(358,424)	3,142,590	335,000
Other long-term liabilities:						
Compensated absences		73,977	39,984	(32,817)	81,144	9,028
Net pension liability		979,278	-	(325,004)	654,274	-
Intergovernmental payable		21,256	-	-	21,256	6,963
Total other long-term liabilities		1,074,511	39,984	(357,821)	756,674	15,991

OWDA loans - The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund water and sewer projects. The amounts due to the OWDA are payable from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. Future annual debt service principal and interest requirements for the open loans (New Reservoir Improvement, I-70 Underpass Watermain, and East End Belmont County Water Connection), which have a total balance of $1,147,375 at December 31, 2022, are not available.

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future sewer revenues to repay certain OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2036. The total principal and interest remaining to be paid on the sewer OWDA loans is $2,892,707. Annual principal and interest payments on the loans are expected to require 12.48 percent of net revenues and 7.80 percent of total revenues. Principal and interest paid for the current year were $131,613, total net revenues were $1,054,502 and total revenues were $1,687,696.

The City has pledged future water revenues to repay certain OWDA loans. The loans are payable solely from water fund revenues. A debt service schedule will be available when the loan is closed out. Annual principal and interest payments on the loans are expected to require 5.82 percent of net revenues and 3.83 percent of total revenues. Principal and interest paid for the current year were $67,243, total net revenues were $1,154,833 and total revenues were $1,757,598.

OPWC loans - The City received loans from the Ohio Public Works Commission (OPWC) to fund improvements of the water and sewer systems. The loans will be paid from revenues derived from charges for services in the water and sewer funds.

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

The City has pledged future sewer revenues to repay certain OPWC loans. The loans are payable solely from sewer fund revenues and are payable through 2027. The total principal and interest remaining to be paid on the sewer OPWC loans is $56,084. Annual principal and interest payments on the loans are expected to require 2.44 percent of net revenues and 1.52 percent of total revenues. Principal and interest paid for the current year were $25,697, total net revenues were $1,054,502 and total revenues were $1,687,696.

The City has pledged future water revenues to repay certain OPWC loans. The loans are payable solely from water fund revenues. The loans are payable solely from water fund revenues and are payable through 2026. The total principal and interest remaining to be paid on the sewer OPWC loan (for which a debt service schedule was available for) is $11,272. Annual principal and interest payments on the loans are expected to require 0.28 percent of net revenues and 0.18 percent of total revenues. Principal and interest paid for the current year were $3,221, total net revenues were $1,154,833 and total revenues were $1,757,598.

Future annual debt service principal and interest requirements for the open loan (New Reservoir Improvement), which has a total balance of $201,654 at December 31, 2022, are not available.

General obligation bonds - 2016 refunding bonds - On July 13, 2016, the City issued $4,810,000 of general obligation refunding bonds which included serial and term bonds in the amount of $3,245,000 and $1,565,000, respectively. These bonds were issued to partially refund the 2007 various purpose bonds, as well as pay the costs of issuance of these bonds. The business-type activities portions of the 2007 various purpose bonds were used to pay for the costs of improvements to the City's water, sewer and electric systems. The refunding bonds bear interest rates ranging from 2% - 4% and mature on December 1, 2032. The business-type activities portions of these bonds are retired from the water fund, sewer fund and light fund.

The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2032 using the straight-line method.

Intergovernmental payable - In prior years, the City and Belmont County approved an agreement for the City to pay 7.33 percent of the costs of Belmont County's water works system phase I project, in return for the City to have access to an emergency water supply.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated absences - Compensated absences for business-type activities will be paid from the water, sewer and light funds.

Net pension liability and net OPEB liability - See Notes 13 and 14 for details on the City's net pension liability and net OPEB liability, respectively. The net pension and net OPEB liabilities will be paid from the water, sewer and light funds.

D. The annual requirements amortize business-type activities long-term obligations outstanding as of December 31, 2022, are as follows:

Year	OWDA Loans - Direct Borrowing			OPWC Loans - Direct Borrowing		
Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 94,028	$ 129,066	$ 223,094	$ 27,753	$ 1,165	$ 28,918
2024	94,028	126,517	220,545	21,766	608	22,374
2025	94,028	123,969	217,997	7,439	276	7,715
2026	94,028	121,421	215,449	5,978	126	6,104
2027	94,028	120,147	214,175	2,224	22	2,246
2028 - 2032	470,142	556,142	1,026,284	-	-	-
2033 - 2036	376,116	399,047	775,163	-	-	-
Totals	$ 1,316,398	$ 1,576,309	$ 2,892,707	$ 65,160	$ 2,197	$ 67,357

Year	G.O. Bonds - 2016 Refunding			Intergovernmental Payable		
Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 335,000	$ 95,300	$ 430,300	$ 6,963	$ -	$ 6,963
2024	355,000	81,900	436,900	6,963	-	6,963
2025	370,000	67,700	437,700	7,330	-	7,330
2026	310,000	52,900	362,900	-	-	-
2027	325,000	40,500	365,500	-	-	-
2028 - 2032	1,210,000	108,550	1,318,550	-	-	-
Totals	$ 2,905,000	$ 446,850	$ 3,351,850	$ 21,256	$ -	$ 21,256

E. The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2022, the City's total debt margin was $14,815,999 and the unvoted debt margin was $7,734,571.

NOTE 12 - RISK MANAGEMENT

A. Property and Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracts with the Scottsdale Insurance Company and the Charter Oak Fire Insurance Company for property and inland marine coverage, for fleet insurance, and liability insurance. The City has transferred its risk of loss to the insurance carrier to the extent of the limits shown below.

Building and contents - replacement cost ($5,000 deductible)	$	31,362,924
Flood coverage ($50,000 deductible)		5,000,000
Earthquake ($50,000 deductible)		5,000,000
Crime:		
Employee dishonesty		500,000
Automotive:		
Bodily injury, property damage, etc. (each occurrence)		1,000,000
Uninsured motorist		1,000,000
Medical payments		5,000
General liability:		
General aggregate		3,000,000
Products completed operations aggregate limit		3,000,000
Personal & advertising injury limit		1,000,000
Limit per occurrence		1,000,000
Damage to premises rented to you limit		100,000
Employee benefits ($5,000 deductible)		1,000,000
Public officials liability:		
Aggregate		3,000,000
Each occurrence ($5,000 deductible)		1,000,000
Employment practices:		
Aggregate		3,000,000
Each occurrence ($5,000 deductible)		1,000,000
Back wages limit ($5,000 deductible)		250,000
Law enforcement liability:		
Aggregate		1,000,000
Each person/occurrence ($5,000 deductible)		1,000,000
Umbrella:		
Aggregate		5,000,000
Each occurrence ($10,000 deductible)		5,000,000
Police dog ($1,000 deductible)		25,000
Computer ($1,000 deductible)		205,500
Equipment ($1,000 deductible)		1,187,466
Rented		75,000
Cyber liability		1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 12 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a traditional plan 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. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring 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 3.00%.

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

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $247,708 for 2022. Of this amount, $12,445 is reported as intergovernmental payable.

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

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, 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 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police
2022 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2022 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $121,832 for 2022. Of this amount, $18,849 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01008800%	0.00133200%	0.01972440%	
Proportion of the net pension liability/asset current measurement date	0.01133200%	0.00076600%	0.02001700%	
Change in proportionate share	0.00124400%	-0.00056600%	0.00029260%	
Proportionate share of the net pension liability	$ 985,929	$ -	$ 1,250,546	$ 2,236,475
Proportionate share of the net pension asset	-	(139)	-	(139)
Pension expense	(127,603)	(22)	82,057	(45,568)

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	$ 50,261	$ 137	$ 36,058	$ 86,456
Changes of assumptions	123,290	8	228,548	351,846
Changes in employer's proportionate percentage/ difference between employer contributions	167,824	-	38,183	206,007
Contributions subsequent to the measurement date	247,708	-	121,832	369,540
Total deferred outflows of resources	$ 589,083	$ 145	$ 424,621	$ 1,013,849

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	$ 21,624	$ -	$ 65,010	$ 86,634
Net difference between projected and actual earnings on pension plan investments	1,172,726	36	327,876	1,500,638
Changes in employer's proportionate percentage/ difference between employer contributions	15,198	-	14,537	29,735
Total deferred inflows of resources	$ 1,209,548	$ 36	$ 407,423	$ 1,617,007

$369,540 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Year Ending December 31:				
2023	$ (46,928)	$ 12	$ 5,116	$ (41,800)
2024	(358,938)	11	(90,566)	(449,493)
2025	(275,756)	10	(24,733)	(300,479)
2026	(186,551)	12	(22,085)	(208,624)
2027	-	13	27,634	27,647
Thereafter	-	51	-	51
Total	$ (868,173)	$ 109	$ (104,634)	$ (972,698)

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, 2021, using the following actuarial assumptions applied to all 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, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

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, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 2,599,447	$ 985,929	$ (356,731)
Member-Directed Plan	(123)	(139)	(153)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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 calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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
59 or less	35%
60-69	60%
70-79	75%
80 and up	100%

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 and Guidelines. 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 7.50%. A discount rate of 8.00% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	$ 1,854,543	$ 1,250,546	$ 747,566

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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. 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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 discontinued 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.

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 became 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 2022, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, 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 2022 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $0 for 2022. Of this amount, $0 is reported as intergovernmental payable.

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was $3,206 for 2022. Of this amount, $496 is reported as intergovernmental payable.

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. 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 prior measurement date	0.00944800%	0.01972440%	
Proportion of the net OPEB liability/asset current measurement date	0.01057700%	0.02001700%	
Change in proportionate share	0.00112900%	0.00029260%	
Proportionate share of the net OPEB liability	$ -	$ 219,404	$ 219,404
Proportionate share of the net OPEB asset	(331,287)	-	(331,287)
OPEB expense	(317,692)	22,233	(295,459)

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2022, 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	$ -	$ 9,981	$ 9,981
Changes of assumptions	-	97,119	97,119
Changes in employer's proportionate percentage/ difference between employer contributions	25,511	27,145	52,656
Contributions subsequent to the measurement date	-	3,206	3,206
Total deferred outflows of resources	$ 25,511	$ 137,451	$ 162,962

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 50,250	$ 29,000	$ 79,250
Net difference between projected and actual earnings on OPEB plan investments	157,935	19,820	177,755
Changes of assumptions	134,101	25,481	159,582
Changes in employer's proportionate percentage/ difference between employer contributions	10,514	15,990	26,504
Total deferred inflows of resources	$ 352,800	$ 90,291	$ 443,091

$3,206 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Year Ending December 31:			
2023	$ (202,703)	$ 12,612	$ (190,091)
2024	(67,395)	9,674	(57,721)
2025	(34,509)	9,355	(25,154)
2026	(22,682)	1,976	(20,706)
2027	-	5,091	5,091
Thereafter	-	5,246	5,246
Total	$ (327,289)	$ 43,954	$ (283,335)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

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NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

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.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, 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 Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	$ 194,828	$ 331,287	$ 444,551

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	$ 334,868	$ 331,287	$ 327,041

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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%.

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

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
59 or less	35%
60-69	60%
70-79	75%
80 and up	100%

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x

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

Discount Rate - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

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 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 275,795	$ 219,404	$ 173,050

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While 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 balances - budget and actual (non-GAAP budgetary basis) presented for the general fund, police fund and street fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

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

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

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

Net Change in Fund Balance

	General	Police	Street
Budget basis	$ 328,225	$ (66,537)	$ 27,177
Net adjustment for revenue accruals	(12,604)	9,173	(6,556)
Net adjustment for expenditure accruals	20,401	(16,886)	(18,101)
Adjustment for encumbrances	267	7,235	624
GAAP basis	$ 336,289	$ (67,015)	$ 3,144

NOTE 16 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City had no commitments for encumbrances in the governmental funds

NOTE 17 - FUND BALANCE

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

Fund Balance	General	Police	Street	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepayments	$ 19,914	$ 9,000	$ -	$ -	$ 2,000	$ 30,914
Materials and supplies inventory	16,041	14,772	-	-	-	30,813
Loans	68,561	-	-	-	-	68,561
Unclaimed monies	13,990	-	-	-	-	13,990
Total nonspendable	118,506	23,772	-	-	2,000	144,278
Restricted:						
Capital projects	-	-	-	2,027,339	-	2,027,339
Police services	-	124,175	-	-	-	124,175
Court/safety programs	-	-	-	-	20,682	20,682
Transportation projects	-	-	663,689	-	-	663,689
Recreation	-	-	-	-	110,054	110,054
Community and economic development	-	-	-	-	910,959	910,959
Total restricted	-	124,175	663,689	2,027,339	1,041,695	3,856,898
Committed:						
Capital projects	-	-	-	-	405,606	405,606
Total committed	-	-	-	-	405,606	405,606
Assigned:						
Subsequent year appropriations	602,625	-	-	-	-	602,625
Total assigned	602,625	-	-	-	-	602,625
Unassigned (deficit)	2,465,515	-	-	-	(35,606)	2,429,909
Total fund balances	$ 3,186,646	$ 147,947	$ 663,689	$ 2,027,339	$ 1,413,695	$ 7,439,316

NOTE 18 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS (1) *

	2022	2021	2020	2019
Traditional Plan:				
City's proportion of the net pension liability	0.011332%	0.010088%	0.010177%	0.011646%
City's proportionate share of the net pension liability	$ 985,929	$ 1,493,813	$ 2,011,553	$ 3,189,603
City's covered payroll	$ 1,659,221	$ 1,488,271	$ 1,436,614	$ 1,572,964
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.42%	100.37%	140.02%	202.78%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
Member Directed Plan:				
City's proportion of the net pension liability	0.000766%	0.001332%	0.000807%	
City's proportionate share of the net pension asset	$ 139	$ 244	$ 32	
City's covered payroll	$ 4,800	$ 8,010	N/A	
City's proportionate share of the net pension asset as a percentage of its covered payroll	2.90%	3.05%	N/A	
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	

(1) Information prior to 2014 was not available for the Traditional Plan and 2020 was the first year the City had participants in the Member Directed Plan. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

N/A - Information is not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014
	0.013040%	0.013508%	0.013883%	0.001432%	0.014317%
	$ 2,045,725	$ 3,067,440	$ 2,404,711	$ 1,726,789	$ 1,687,788
	$ 1,600,908	$ 1,737,008	$ 1,759,371	$ 1,755,358	$ 1,763,231
	127.79%	176.59%	136.68%	98.37%	95.72%
	84.66%	77.25%	81.08%	86.45%	86.36%

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE YEARS (1) *

	2022	2021	2020	2019
City's proportion of the net pension liability	0.020017%	0.019724%	0.019747%	0.019880%
City's proportionate share of the net pension liability	$ 1,250,546	$ 1,344,630	$ 1,330,250	$ 1,622,731
City's covered payroll	$ 592,295	$ 551,489	$ 551,489	$ 520,784
City's proportionate share of the net pension liability as a percentage of its covered payroll	211.14%	243.82%	241.21%	311.59%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%

(1) Information prior to 2014 was not unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014
0.020579%		0.019091%		0.020279%		0.019396%		0.019396%
$ 1,263,026		$ 1,209,204		$ 1,304,564		$ 1,004,794		$ 944,646
$ 489,379		$ 490,021		$ 455,768		$ 457,877		$ 427,216
258.09%		246.77%		286.23%		219.45%		221.12%
70.91%		68.36%		66.77%		72.20%		73.00%

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS (1)

	2022	2021	2020	2019
Traditional Plan:				
Contractually required contribution	$ 247,708	$ 232,291	$ 208,358	$ 201,126
Contributions in relation to the contractually required contribution	(247,708)	(232,291)	(208,358)	(201,126)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,769,343	$ 1,659,221	$ 1,488,271	$ 1,436,614
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ -	$ 480	$ 801	
Contributions in relation to the contractually required contribution	-	(480)	(801)	
Contribution deficiency (excess)	$ -	$ -	$ -	
City's covered payroll	$ -	$ 4,800	$ 8,010	
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	

(1) Although this schedule is intended to reflect information for 10 years, 2020 was the first year the City contributed to the Member Directed Plan. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	220,215	$	208,118	$	208,441	$	211,125	$	210,643	$	229,220
	(220,215)		(208,118)		(208,441)		(211,125)		(210,643)		(229,220)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,572,964	$	1,600,908	$	1,737,008	$	1,759,371	$	1,755,358	$	1,763,231
	14.00%		13.00%		12.00%		12.00%		12.00%		13.00%

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 121,832	$ 112,536	$ 104,783	$ 98,949
Contributions in relation to the contractually required contribution	(121,832)	(112,536)	(104,783)	(98,949)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 641,221	$ 592,295	$ 551,489	$ 520,784
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	92,982	$	93,104	$	86,596	$	86,997	$	81,171	$	64,604
	(92,982)		(93,104)		(86,596)		(86,997)		(81,171)		(64,604)
$	-	$	-	$	-	$	-	$	-	$	-
$	489,379	$	490,021	$	455,768	$	457,877	$	427,216	$	406,739
	19.00%		19.00%		19.00%		19.00%		19.00%		15.88%

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS (1) *

	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability	0.010577%	0.009448%	0.009509%	0.010878%	0.012200%	0.013100%
City's proportionate share of the net OPEB liability/(asset)	$ (331,287)	$ (168,324)	$ 1,313,440	$ 1,418,236	$ 1,324,831	$ 1,323,145
City's covered payroll	$ 1,664,021	$ 1,496,281	$ 1,436,614	$ 1,577,764	$ 1,604,333	$ 1,740,733
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.91%	11.25%	91.43%	89.89%	82.58%	76.01%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 was unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS (1) *

	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability	0.020017%	0.019724%	0.019747%	0.019880%	0.020579%	0.019091%
City's proportionate share of the net OPEB liability	$ 219,404	$ 208,983	$ 195,054	$ 181,038	$ 1,165,977	$ 906,207
City's covered payroll	$ 592,295	$ 551,489	$ 520,784	$ 489,379	$ 490,021	$ 455,768
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.04%	37.89%	37.45%	36.99%	237.94%	198.83%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

(1) Information prior to 2017 was unavailable. The schedule is intended to show information for 10 years. Additional information will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS (1) *

	2022	2021	2020	2019
Contractually required contribution	$ -	$ 192	$ 320	$ -
Contributions in relation to the contractually required contribution	-	(192)	(320)	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,769,343	$ 1,664,021	$ 1,496,281	$ 1,436,614
Contributions as a percentage of covered payroll	0.00%	0.01%	0.02%	0.00%

(1) Although this schedule is intended to reflect information for 10 years, information prior to 2016 is not available. Additional years will be displayed as they become available.

* The OPEB plan includes participants from the Traditional and Member Directed Plan. Prior to 2020, the City only had participants in the Traditional Plan.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016
$ 192	$ 16,146	$ 34,877
(192)	(16,146)	(34,877)
$ -	$ -	$ -
$ 1,577,764	$ 1,604,333	$ 1,740,433
0.01%	1.01%	2.00%

CITY OF ST. CLAIRSVILLE
BELMONT COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 3,206	$ 2,961	$ 2,757	$ 2,604
Contributions in relation to the contractually required contribution	(3,206)	(2,961)	(2,757)	(2,604)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 641,221	$ 592,295	$ 551,489	$ 520,784
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	2,447	$	2,450	$	2,279	$	2,289	$	2,136	$	14,710
	(2,447)		(2,450)		(2,279)		(2,289)		(2,136)		(14,710)
$	-	$	-	$	-	$	-	$	-	$	-
$	489,379	$	490,021	$	455,768	$	457,877	$	427,216	$	406,739
	0.50%		0.50%		0.50%		0.50%		0.50%		3.62%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

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

Changes in assumptions :

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

Julian & Grube

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

City of St. Clairsville
Belmont County
100 North Market Street
St. Clairsville, Ohio 43950

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Clairsville, Belmont County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of St. Clairsville's basic financial statements, and have issued our report thereon dated August 8, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of St. Clairsville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Clairsville's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Clairsville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
August 8, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

CITY OF ST. CLAIRSVILLE

BELMONT 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 10/12/2023

88 East Broad Street, Columbus, Ohio 43215
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