

**CITY OF WHITEHALL**  
FRANKLIN COUNTY, OHIO

**REGULAR AUDIT**

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



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of Council  
City of Whitehall  
360 South Yearling Road  
Whitehall, Ohio 43213

We have reviewed the *Independent Auditor's Report* of the City of Whitehall, Franklin 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 Whitehall is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

August 17, 2023

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**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

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## Independent Auditor's Report

City of Whitehall  
Franklin County  
360 South Yearling Road  
Whitehall, Ohio 43213

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitehall, Franklin 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 Whitehall'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitehall, as of December 31, 2022, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General Fund and the TIF Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Whitehall 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 Whitehall'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 Whitehall'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 Whitehall's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023 on our consideration of the City of Whitehall'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 Whitehall's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Whitehall's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
June 26, 2023

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

The management's discussion and analysis of the City of Whitehall's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- The total net position of the City increased \$6,130,241 or 31.38% from the 2021 net position.
- General revenues accounted for \$36,259,837 or 84.54% of total governmental activities revenue. Program specific revenues accounted for \$6,630,657 or 15.46% of total governmental activities revenue.
- The City had \$36,760,253 in expenses related to governmental activities; \$6,630,657 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities were offset by general revenues (primarily miscellaneous revenues, property taxes, payment in lieu of taxes, income taxes and unrestricted grants and entitlements) of \$36,259,837.
- The general fund had revenues and other financing sources of \$35,726,860 in 2022. The expenditures and other financing uses of the general fund totaled \$36,292,083 in 2022. The net decrease in fund balance for the general fund was \$565,223 or 11.71%.
- The TIF fund had revenues of \$1,288,496 in 2022. The expenditures and other financing uses of the TIF fund totaled \$470,351 in 2022. The net increase in fund balance for the TIF fund was \$818,145 or 21.36%.
- In the general fund, the actual revenues and other financing sources of \$47,051,062 were higher than the final budget of \$46,023,619. Actual expenditures and other financing uses of \$50,232,950 were lower than the amount in the final budget of \$52,774,427. Budgeted revenues and other financing sources increased \$12,052,186 from the original to the final budget while budgeted expenditures and other financing uses increased \$15,268,504.

**Using this Annual Financial Report**

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

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Reporting the City as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the City's programs and services, including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and municipal income taxes, payments in lieu of taxes, and intergovernmental revenues including federal and state grants and other shared revenues.

**Reporting the City's Most Significant Funds**

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

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

***Governmental Funds***

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

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Custodial funds are the City's only fiduciary fund type.

***Notes to the Basic Financial Statements***

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

***Required Supplementary Information***

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

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**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Government-Wide Financial Analysis**

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2022 and 2021.

	<b>Net Position</b>	
	Governmental Activities 2022	Governmental Activities 2021
	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current and other assets	\$ 42,190,087	\$ 36,370,013
Capital assets	<u>51,472,962</u>	<u>50,949,341</u>
Total assets	<u>93,663,049</u>	<u>87,319,354</u>
<u>Deferred Outflows</u>		
Pension	11,395,235	5,702,827
OPEB	<u>2,740,136</u>	<u>3,107,767</u>
Total deferred outflows	<u>14,135,371</u>	<u>8,810,594</u>
<u>Liabilities</u>		
Current liabilities	14,747,014	14,081,639
Long-term liabilities:		
Net pension liability	28,221,936	31,386,342
Net OPEB liability/asset	4,410,043	4,098,955
Other liabilities	<u>15,095,541</u>	<u>15,979,920</u>
Total liabilities	<u>62,474,534</u>	<u>65,546,856</u>
<u>Deferred Inflows</u>		
Property taxes levied for the next fiscal year	1,202,872	394,245
Payments in lieu of taxes levied for the next fiscal year	2,726,790	1,241,268
Pension	12,563,629	5,748,611
OPEB	2,869,113	3,666,260
Leases	<u>298,533</u>	<u>-</u>
Total deferred inflows	<u>19,660,937</u>	<u>11,050,384</u>
<u>Net Position</u>		
Net investment in capital assets	41,296,290	39,838,091
Restricted	8,676,098	7,633,126
Unrestricted (deficit)	<u>(24,309,439)</u>	<u>(27,938,509)</u>
Total net position	<u>\$ 25,662,949</u>	<u>\$ 19,532,708</u>

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.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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/asset. 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/asset 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 assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,662,949.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 54.96% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, intangible right to use leased equipment, vehicles, works of art and infrastructure. The net investment in capital assets at December 31, 2022, was \$41,296,290 in the 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, \$8,676,098, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance is a deficit unrestricted net position of (\$24,309,439).

The following table shows the changes in net position for 2022 and 2021.

	<b>Change in Net Position</b>	
	Governmental Activities 2022	Governmental Activities 2021
	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,100,314	\$ 2,115,385
Operating grants and contributions	1,920,255	2,960,141
Capital grants and contributions	2,610,088	2,916,226
Total program revenues	<u>6,630,657</u>	<u>7,991,752</u>
General revenues:		
Municipal income taxes	32,054,416	29,894,806
Property taxes	423,409	382,690
Lodging taxes	41,832	44,059
Payments in lieu of taxes	1,288,496	1,332,320
Unrestricted grants and entitlements	1,216,813	1,217,548
Investment earnings	165,077	166,021
Miscellaneous	1,069,794	1,028,974
Total general revenues	<u>36,259,837</u>	<u>34,066,418</u>
Total revenues	<u>42,890,494</u>	<u>42,058,170</u>

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	2022	2021
<b>Expenses</b>		
General government	\$ 9,268,041	\$ 6,240,932
Security of persons and property	17,933,047	16,705,141
Public health and welfare	196,596	205,271
Transportation	3,895,384	3,995,394
Community environment	106,975	69,969
Leisure time activity	1,958,627	1,871,882
Economic development	697,307	919,508
Utility services	2,259,391	1,835,443
Interest and fiscal charges	444,885	359,688
	<hr/>	<hr/>
Total expenses	36,760,253	32,203,228
	<hr/>	<hr/>
Change in net position	6,130,241	9,854,942
	<hr/>	<hr/>
Net position at beginning of year	19,532,708	9,677,766
	<hr/>	<hr/>
Net position at end of year	<u>\$ 25,662,949</u>	<u>\$ 19,532,708</u>

**Governmental Activities**

Governmental activities net position increased by \$6,130,241 from the 2021 net position.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$17,933,047 of the total expenses of the City. These expenses were funded by \$986,256 in direct charges to users of the services and \$49,899 in operating grants and contributions. Transportation expenses totaled \$3,895,384. Transportation expenses were primarily funded by \$52,206 in direct charges to users of the services, \$1,297,417 in operating grants and contributions and \$1,147,441 in capital grants and contributions.

Expenses of the governmental activities increased \$4,557,025 or 14.15%. This increase is primarily the result of lower than normal expenses in 2021 due to the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). The 2022 governmental activities expenses are comparable to the 2020 governmental activities expenses.

During 2022, the local state and federal government contributed to the City a total of \$4,530,343 in operating grants and contributions and capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$1,297,417 subsidized transportation programs, \$49,899 subsidized security of persons and property programs and \$572,939 subsidized general government. The City received \$2,610,088 in capital grants and contributions which includes funds from OPWC for road projects.

General revenues totaled \$36,259,837 and amounted to 84.54% of total governmental revenues in 2022. These revenues primarily consist of property and municipal income tax revenue of \$32,477,825. The other primary source of general revenues is payments in lieu of taxes, making up \$1,288,496.

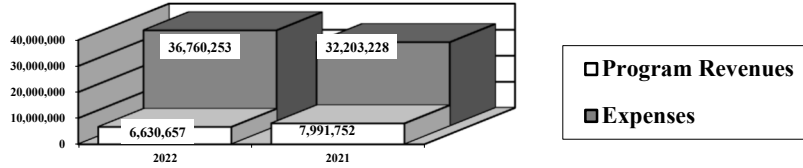
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported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



**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

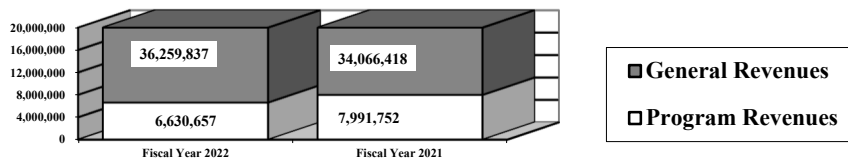
**Governmental Activities - Program Revenues vs. Total Expenses**



	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Program Expenses:</b>				
General government	\$ 9,268,041	\$ 7,814,844	\$ 6,240,932	\$ 4,298,522
Security of persons and property	17,933,047	16,896,245	16,705,141	14,490,141
Public health and welfare	196,596	190,476	205,271	205,271
Transportation	3,895,384	1,398,320	3,995,394	305,290
Community environment	106,975	106,975	69,969	69,969
Leisure time activity	1,958,627	1,783,453	1,871,882	1,727,644
Economic development	697,307	(764,693)	919,508	919,508
Utility services	2,259,391	2,259,091	1,835,443	1,835,443
Interest and fiscal charges	444,885	444,885	359,688	359,688
<b>Total</b>	<b>\$ 36,760,253</b>	<b>\$ 30,129,596</b>	<b>\$ 32,203,228</b>	<b>\$ 24,211,476</b>

The dependence upon general revenues for governmental activities is apparent, with 79.24% of expenses supported through taxes and other general revenues for 2022.

**Governmental Activities - General and Program Revenues**



**Financial Analysis of the Government's Funds**

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

***Governmental Funds***

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

The City's governmental funds reported a combined fund balance of \$18,453,466 which is \$1,414,135 higher than last year's total of \$17,039,331. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2022 and December 31, 2021 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/22</u>	<u>Fund Balances</u> <u>12/31/21</u>	<u>Change</u>
Major funds:			
General	\$ 4,263,661	\$ 4,828,884	\$ (565,223)
TIF	4,648,869	3,830,724	818,145
Other nonmajor governmental funds	<u>9,540,936</u>	<u>8,379,723</u>	<u>1,161,213</u>
Total	<u>\$ 18,453,466</u>	<u>\$ 17,039,331</u>	<u>\$ 1,414,135</u>

***General Fund***

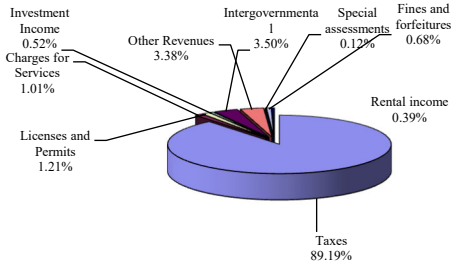
The City's general fund balance decreased \$565,223. The table that follows assists in illustrating the revenues of the general fund. Tax revenues increased slightly. Income tax receipts fluctuated based on an increase in revenues received during the current year. The charges for services decreased due to a decrease in receipts relating to EMS service collections. Revenues related to licenses and permits and fines and forfeitures remained consist with prior year. Special assessment revenues increased due to an increase in special assessment revenues received during the current year and those receivable at the end of the year. Investment income increased due to the amount of revenue received and the fair value change of the City's investments. Rental income remained comparable to the prior year. Other revenues increased due to an increase in refunds and reimbursements received during the year.

	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Amount</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
<b><u>Revenues</u></b>				
Taxes	\$ 31,586,702	\$ 30,667,405	\$ 919,297	3.00 %
Charges for services	357,355	544,080	(186,725)	(34.32) %
Licenses and permits	428,514	448,160	(19,646)	(4.38) %
Fines and forfeitures	241,053	234,065	6,988	2.99 %
Intergovernmental	1,238,829	1,078,048	160,781	14.91 %
Special assessments	43,357	40,194	3,163	7.87 %
Investment income	183,037	145,772	37,265	25.56 %
Rental income	139,647	144,238	(4,591)	(3.18) %
Other	<u>1,197,235</u>	<u>553,793</u>	<u>643,442</u>	116.19 %
Total	<u>\$ 35,415,729</u>	<u>\$ 33,855,755</u>	<u>\$ 1,559,974</u>	4.61 %

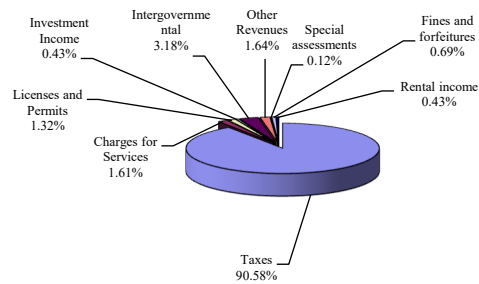
**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Revenues - 2022**



**Revenues - 2021**



The table that follows assists in illustrating the expenditures of the General Fund.

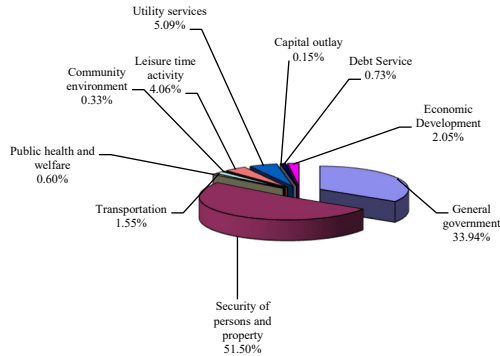
	2022	2021	Amount Increase (Decrease)	Percentage Increase (Decrease)
	<u>Amount</u>	<u>Amount</u>		
<b><u>Expenditures</u></b>				
General government	\$ 10,912,629	\$ 9,872,624	\$ 1,040,005	10.53 %
Security of persons and property	16,560,449	15,066,585	1,493,864	9.92 %
Public health and welfare	192,061	188,329	3,732	1.98 %
Transportation	499,323	524,851	(25,528)	(4.86) %
Community environment	105,139	69,517	35,622	51.24 %
Leisure time activity	1,305,199	1,287,165	18,034	1.40 %
Economic development	658,974	829,692	(170,718)	(20.58) %
Utility services	1,637,821	1,602,991	34,830	2.17 %
Capital outlay	48,583	21,607	26,976	124.85 %
Debt service	<u>233,642</u>	<u>182,515</u>	<u>51,127</u>	28.01 %
<b>Total</b>	<b><u>\$ 32,153,820</u></b>	<b><u>\$ 29,645,876</u></b>	<b><u>\$ 2,507,944</u></b>	<b>8.46 %</b>

The increase in the general government can be attributed primarily to an increase in expenses related to the mayor's department, auditor department and IT related costs. The increase in security of persons and property expenditures can be attributed to an increase in police and fire expenditures. The increase in leisure time activity can be attributed to an increase in park and recreation expenditures. The decrease in economic development expenditures is due to a decrease in related current year expenditures. Capital outlay expenditures increased due to an increase in property acquisitions. All other current year expenses were comparable to the prior year.

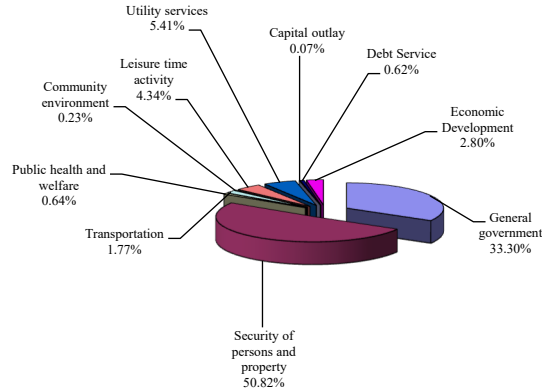
**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Expenditures - 2022**



**Expenditures - 2021**



***TIF Fund***

The TIF fund had revenues of \$1,288,496 in 2022. The expenditures and other financing uses of the TIF fund totaled \$470,351 in 2022. The net increase in fund balance for the TIF fund was \$818,145 or 21.36%.

***Budgeting Highlights***

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

Budgetary information is presented for the General Fund. The actual revenues and other financing sources of \$47,051,062 were higher than the final budget of \$46,023,619. Actual expenditures and other financing uses of \$50,232,950 were lower than the amount in the final budget of \$52,774,427. Budgeted revenues and other financing sources increased \$12,052,186 from the original to the final budget while budgeted expenditures and other financing uses increased \$15,268,504.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2022 the City had \$51,472,962 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings and improvements, equipment, intangible right to use equipment, vehicles, works of art and infrastructure, which is an increase of \$523,621 from prior year.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

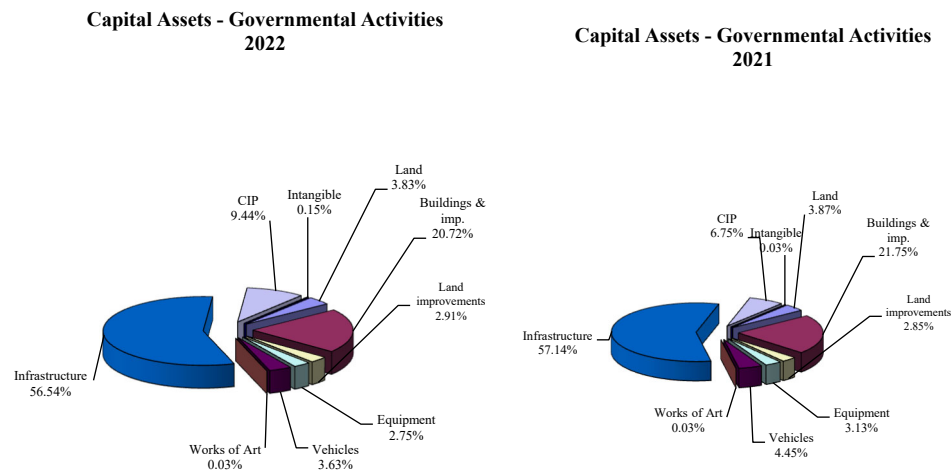
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

The following table shows fiscal 2022 balances compared to 2021:

**Capital Assets at December 31  
(Net of Depreciation/Amortization)**

	Governmental Activities	
	<u>2022</u>	Restated <u>2021</u>
Land	\$ 1,970,582	\$ 1,970,582
Land improvements	1,499,005	1,452,394
Buildings and improvements	10,665,589	11,082,017
Equipment	1,415,889	1,594,283
Intangible right to use equipment	75,786	15,083
Vehicles	1,869,577	2,265,636
Works of art	13,366	14,528
Infrastructure	29,100,862	29,114,994
Construction in progress	4,862,306	3,439,824
Totals	<u>\$ 51,472,962</u>	<u>\$ 50,949,341</u>

The following graphs show the breakdown of governmental capital assets by category for 2022 and 2021.



The City's largest capital asset category is infrastructure. The net book value of the City's infrastructure (cost less accumulated depreciation/amortization) represents approximately 56.54% of the City's total governmental capital assets. See Note 10 to the basic financial statements for detail on capital assets.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

***Debt Administration***

The City had the following long-term obligations in outstanding at December 31, 2022 and 2021:

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 6,745,000	\$ 7,200,000
OPWC loans	1,509,052	1,601,536
Revenue bonds	2,635,000	2,895,000
FCIB loan	192,718	285,469
Note payable - financed purchased	1,232,790	1,385,065
Lease payable	<u>76,834</u>	<u>15,898</u>
Total long-term debt obligations	<u>\$12,391,394</u>	<u>\$13,382,968</u>

See Note 11 to the basic financial statements for detail on long-term obligations.

**Economic Conditions and Next Year's General Fund Budget Outlook**

The City of Whitehall remains in a strong financial position and has an overall positive financial outlook into the future. This outlook is influenced by multiple factors including conservative budgeting, a strong local economy and City official's willingness to adjust spending throughout the year as needed to help maintain a healthy General Fund reserve balance.

The City's annual budgeting process prioritizes maintaining excellent health and life safety services while increasing capital investments into the City's aging infrastructure. Resources for these and other core initiatives are balanced against a thorough analysis of projected revenue, developed with outside economic conditions in mind.

Foremost among these economic conditions is the continued impact the COVID-19 pandemic and lingering remote-work practices have on the City's income tax refunds. While proactive efforts to attract and retain quality employers has helped to steadily increase the City's income tax revenue, budgeted income tax refunds have increased by \$1.7 million annually compared to prior to the pandemic. At the same time, the City's expenditures are being impacted by historically high interest rates, inflation and the increased cost of construction.

To help alleviate the pressure these factors are putting on the General Fund, the City has taken measures to diversify revenue sources. This includes a recent property tax levy to support improvements to the police station and a water and sewer utility surcharge to support water main replacement and maintenance projects. The annual budgeting process incorporates these capital projects and others by way of an on-going 5-Year Capital Improvement Plan (CIP).

Adding to the health of the General Fund, City officials continue to be progressive in their business development efforts and in encouraging reinvestment into Whitehall neighborhoods. Growth in Whitehall home values and home sales continue to outpace surrounding municipalities and are positively impacting overall property tax valuation.

Looking to 2023 and beyond, the City remains committed to maintaining a strong General Fund balance. Despite a planned one-time draw down of \$1.72 million to support capital improvements, the City projects a year-end General Fund balance of over \$4.5 million. As has been past practice, actual expenditures will be adjusted throughout the year as needed to maintain this planned carry-over.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Steven Quincel, City Auditor, City of Whitehall, 360 S. Yearling Road, Whitehall, Ohio 43213.

**BASIC  
FINANCIAL STATEMENTS**



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**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Whitehall CIC</b>
<b>Assets:</b>		
Equity in pooled cash and investments	\$ 24,178,995	\$ 85,953
Cash with fiscal and escrow agents	443,970	-
Cash in segregated accounts	793	-
Receivables (net of allowances for uncollectibles):		
Income taxes	3,937,483	-
Property and other taxes	1,283,132	-
Payments in lieu of taxes	2,726,790	-
Accounts	437,266	750
Leases	304,207	24,232
Special assessments	61,816	-
Accrued interest	21,347	101
Due from other governments	1,064,005	-
Prepayments	437,999	-
Materials and supplies inventory	224,449	-
Assets held for resale	6,000,000	822,700
Net pension asset	4,281	-
Net OPEB asset	1,063,554	-
Capital assets:		
Land and construction in progress	6,832,888	-
Depreciable capital assets, net	44,640,074	170,265
Total capital assets, net	51,472,962	170,265
Total assets	93,663,049	1,104,001
<b>Deferred outflows of resources:</b>		
Pension	11,395,235	-
OPEB	2,740,136	-
Total deferred outflows of resources	14,135,371	-
<b>Liabilities:</b>		
Accounts payable	779,926	-
Contracts payable	135,961	-
Accrued wages and benefits payable	551,216	-
Due to other governments	171,750	-
Payroll withholdings payable	17,465	-
Accrued interest payable	29,736	-
Claims payable	491,786	-
Unearned revenue	999,174	-
Note payable	11,570,000	-
Long-term liabilities:		
Due within one year	2,252,600	-
Net pension liability	28,221,936	-
Net OPEB liability	4,410,043	-
Other amounts due in more than one year	12,842,941	-
Total liabilities	62,474,534	-
<b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year	1,202,872	-
Payments in lieu of taxes levied for the next fiscal year	2,726,790	-
Pension	12,563,629	-
OPEB	2,869,113	-
Leases	298,533	23,618
Total deferred inflows of resources	19,660,937	23,618
<b>Net position:</b>		
Net investment in capital assets	41,296,290	170,265
Restricted for:		
Capital projects	29,502	-
Street maintenance and repair	6,287,664	-
Economic development	204,325	-
Community development	113,325	-
Human services programs	2,041,282	-
Unrestricted (deficit)	(24,309,439)	910,118
Total net position	\$ 25,662,949	\$ 1,080,383

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Current:				
General government	\$ 9,268,041	\$ 880,258	\$ 572,939	\$ -
Security of persons and property	17,933,047	986,256	49,899	647
Public health and welfare	196,596	6,120	-	-
Transportation	3,895,384	52,206	1,297,417	1,147,441
Community environment	106,975	-	-	-
Leisure time activity	1,958,627	175,174	-	-
Economic development	697,307	-	-	1,462,000
Utility services	2,259,391	300	-	-
Interest and fiscal charges	444,885	-	-	-
Total primary government	<u>\$ 36,760,253</u>	<u>\$ 2,100,314</u>	<u>\$ 1,920,255</u>	<u>\$ 2,610,088</u>
<b>Component unit:</b>				
Whitehall CIC	\$ 68,096	\$ 22,572	\$ 103,024	\$ -
Total component unit	<u>\$ 68,096</u>	<u>\$ 22,572</u>	<u>\$ 103,024</u>	<u>\$ -</u>

**General revenues:**

Property taxes levied for:

    General purposes

Municipal income taxes levied for:

    General purposes

Lodging taxes levied for:

    Special revenue

Payments in lieu of taxes

Grants and entitlements not restricted  
to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net position

**Net position at beginning of year**

**Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Primary Government Governmental Activities</b>	<b>Component Unit Whitehall CIC</b>
\$ (7,814,844)	\$ -
(16,896,245)	-
(190,476)	-
(1,398,320)	-
(106,975)	-
(1,783,453)	-
764,693	-
(2,259,091)	-
(444,885)	-
<u>(30,129,596)</u>	<u>-</u>
\$ -	\$ 57,500
<u>-</u>	<u>57,500</u>
423,409	-
32,054,416	-
41,832	-
1,288,496	-
1,216,813	-
165,077	1,843
1,069,794	-
<u>36,259,837</u>	<u>1,843</u>
6,130,241	59,343
<u>19,532,708</u>	<u>1,021,040</u>
\$ <u>25,662,949</u>	\$ <u>1,080,383</u>

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	<u>General</u>	<u>TIF Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 9,018,473	\$ 4,648,869	\$ 10,511,653	\$ 24,178,995
Cash in segregated accounts	793	-	-	793
Receivables (net of allowance for uncollectibles):				
Municipal income taxes	3,937,483	-	-	3,937,483
Property and other taxes	1,279,789	-	3,343	1,283,132
Payments in lieu of taxes	-	2,726,790	-	2,726,790
Accounts	156,077	-	281,189	437,266
Leases	304,207	-	-	304,207
Interfund loans	318,278	-	176,872	495,150
Accrued interest	21,347	-	-	21,347
Special assessments	61,816	-	-	61,816
Due from other governments	565,851	-	498,154	1,064,005
Prepayments	437,999	-	-	437,999
Materials and supplies inventory	111,420	-	113,029	224,449
Assets held for resale	6,000,000	-	-	6,000,000
Restricted assets:				
Cash with fiscal and escrow agent	-	-	443,970	443,970
Total assets	<u>\$ 22,213,533</u>	<u>\$ 7,375,659</u>	<u>\$ 12,028,210</u>	<u>\$ 41,617,402</u>
<b>Liabilities:</b>				
Accounts payable	\$ 493,636	\$ -	\$ 286,290	\$ 779,926
Contracts payable	-	-	135,961	135,961
Accrued wages and benefits payable	508,541	-	42,675	551,216
Compensated absences payable	10,745	-	-	10,745
Interfund loans payable	-	-	495,150	495,150
Due to other governments	165,172	-	6,578	171,750
Payroll withholdings payable	17,465	-	-	17,465
Claims payable	491,786	-	-	491,786
Unearned revenue	-	-	999,174	999,174
Note payable	11,570,000	-	-	11,570,000
Total liabilities	<u>13,257,345</u>	<u>-</u>	<u>1,965,828</u>	<u>15,223,173</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	1,202,872	-	-	1,202,872
Payments in lieu of taxes levied for the next fiscal year	-	2,726,790	-	2,726,790
Delinquent property tax revenue not available	76,917	-	-	76,917
Accrued interest not available	10,599	-	-	10,599
Special assessments revenue not available	34,949	-	-	34,949
Miscellaneous revenue not available	48,498	-	193,998	242,496
Municipal income tax revenue not available	2,644,958	-	-	2,644,958
Intergovernmental revenue not available	375,201	-	327,448	702,649
Leases	298,533	-	-	298,533
Total deferred inflows of resources	<u>4,692,527</u>	<u>2,726,790</u>	<u>521,446</u>	<u>7,940,763</u>
<b>Fund balances:</b>				
Nonspendable	6,587,776	-	113,029	6,700,805
Restricted	-	4,648,869	3,221,426	7,870,295
Committed	-	-	6,360,442	6,360,442
Assigned	-	-	57,812	57,812
Unassigned (deficit)	(2,324,115)	-	(211,773)	(2,535,888)
Total fund balances	<u>4,263,661</u>	<u>4,648,869</u>	<u>9,540,936</u>	<u>18,453,466</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,213,533</u>	<u>\$ 7,375,659</u>	<u>\$ 12,028,210</u>	<u>\$ 41,617,402</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

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

<b>Total governmental fund balances</b>	\$	18,453,466
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		51,472,962
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Municipal income taxes receivable	\$ 2,644,958	
Delinquent property taxes receivable	76,917	
Accounts receivable	265,860	
Accrued interest receivable	10,599	
Special assessments receivable	11,585	
Intergovernmental receivable	702,649	
Total		3,712,568
On the statement of net position, interest is accrued on outstanding bonds, whereas in funds, interest is accrued when due.		(29,736)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
General obligation bonds payable	(6,745,000)	
Revenue bonds payable	(2,635,000)	
OPWC loan	(1,509,052)	
FCIB loan	(192,718)	
Note payable - financed purchase	(1,232,790)	
Lease obligations payable	(76,834)	
Compensated absences payable	(2,328,360)	
Total		(14,719,754)
Unamortized premiums on bond issuances are not recognized in the funds.		(365,042)
The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.		4,281
The net OPEB asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.		1,063,554
The net pension liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	11,395,235	
Deferred inflows of resources	(12,563,629)	
Net pension liability	(28,221,936)	
Total		(29,390,330)
The net OPEB liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	2,740,136	
Deferred inflows of resources	(2,869,113)	
Net OPEB liability	(4,410,043)	
Total		(4,539,020)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>25,662,949</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

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

	<u>General</u>	<u>TIF Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Municipal income taxes	\$ 31,201,426	\$ -	\$ -	\$ 31,201,426
Property and other taxes	385,276	-	41,832	427,108
Payments in lieu of taxes	-	1,288,496	-	1,288,496
Charges for services	357,355	-	605,054	962,409
Licenses and permits	428,514	-	-	428,514
Fines and forfeitures	241,053	-	354,919	595,972
Intergovernmental	1,238,829	-	3,047,517	4,286,346
Special assessments	43,357	-	-	43,357
Investment income	183,037	-	-	183,037
Rental income	139,647	-	-	139,647
Development revenues	-	-	1,462,000	1,462,000
Other	1,197,235	-	32,027	1,229,262
Total revenues	<u>35,415,729</u>	<u>1,288,496</u>	<u>5,543,349</u>	<u>42,247,574</u>
<b>Expenditures:</b>				
Current:				
General government	10,912,629	-	353,478	11,266,107
Security of persons and property	16,560,449	-	645,525	17,205,974
Public health and welfare	192,061	-	-	192,061
Transportation	499,323	19,058	1,318,114	1,836,495
Community environment	105,139	-	-	105,139
Leisure time activity	1,305,199	-	-	1,305,199
Economic development	658,974	-	16,908	675,882
Utility services	1,637,821	-	621,570	2,259,391
Capital outlay	48,583	-	4,445,732	4,494,315
Debt service:				
Principal retirement	-	-	1,059,604	1,059,604
Interest and fiscal charges	174,675	-	346,728	521,403
Note issuance costs	58,967	-	-	58,967
Total expenditures	<u>32,153,820</u>	<u>19,058</u>	<u>8,807,659</u>	<u>40,980,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,261,909</u>	<u>1,269,438</u>	<u>(3,264,310)</u>	<u>1,267,037</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	2,489	-	-	2,489
Lease transaction	-	-	68,030	68,030
Transfers in	232,063	-	4,609,814	4,841,877
Transfers (out)	(4,138,263)	(451,293)	(252,321)	(4,841,877)
Premium on note issuance	76,579	-	-	76,579
Total other financing sources (uses)	<u>(3,827,132)</u>	<u>(451,293)</u>	<u>4,425,523</u>	<u>147,098</u>
Net change in fund balances	(565,223)	818,145	1,161,213	1,414,135
<b>Fund balances at beginning of year</b>	<u>4,828,884</u>	<u>3,830,724</u>	<u>8,379,723</u>	<u>17,039,331</u>
<b>Fund balances at end of year</b>	<u>\$ 4,263,661</u>	<u>\$ 4,648,869</u>	<u>\$ 9,540,936</u>	<u>\$ 18,453,466</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN 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** \$ 1,414,135

*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 capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$ 3,763,884	
Current year depreciation	(3,179,999)	
<b>Total</b>	<b>583,885</b>	

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (60,264)

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

Municipal income taxes	852,990	
Delinquent property taxes	38,133	
Accounts	(319,240)	
Accrued interest	(17,960)	
Special assessments	8,324	
Intergovernmental	80,673	
<b>Total</b>	<b>642,920</b>	

Repayment of bond, loan, lease, and lease-purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 1,059,604

Proceeds of lease agreements are recorded as an other financing source in the funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position. (68,030)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items contributed to less interest being reported in the statement of activities:

Increase in accrued interest payable	6,224	
Amortization of bond premium	52,682	
<b>Total</b>	<b>58,906</b>	

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	3,705,697
OPEB	68,131

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

Pension	(1,663,335)
OPEB	537,724

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. (149,132)

**Change in net position of governmental activities** \$ 6,130,241

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF WHITEHALL  
FRANKLIN 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income taxes	\$ 29,950,984	\$ 30,103,989	\$ 31,009,836	\$ 905,847
Property and other taxes	372,120	374,021	385,276	11,255
Charges for services	321,020	322,660	332,369	9,709
Licenses and permits	375,532	377,450	388,808	11,358
Fines and forfeitures	233,151	234,342	241,394	7,052
Intergovernmental	1,190,691	1,196,773	1,232,785	36,012
Special assessments	33,052	33,220	34,220	1,000
Investment income	223,781	224,924	231,692	6,768
Rental income	144,672	145,411	149,787	4,376
Insurance proceeds	59,567	59,871	61,673	1,802
Other	1,064,459	1,069,900	1,102,091	32,191
Total revenues	33,969,029	34,142,561	35,169,931	1,027,370
<b>Expenditures:</b>				
Current:				
General government	13,275,332	12,517,337	11,739,445	777,892
Security of persons and property	16,738,132	17,809,603	16,702,822	1,106,781
Public health and welfare	282,332	205,701	192,918	12,783
Transportation	548,065	534,164	500,968	33,196
Community environment	55,850	46,851	43,939	2,912
Leisure time activity	1,290,515	1,486,487	1,394,109	92,378
Utility services	1,515,263	1,823,193	1,709,890	113,303
Capital outlay	161,691	53,004	49,710	3,294
Debt service:				
Principal retirement	-	11,645,000	11,645,000	-
Interest and fiscal charges	-	174,675	174,675	-
Note issuance costs	-	58,967	58,967	-
Total expenditures	33,867,180	46,354,982	44,212,443	2,142,539
Excess/deficiency of revenues over/under expenditures	101,849	(12,212,421)	(9,042,512)	3,169,909
<b>Other financing sources (uses):</b>				
Note issuance	-	11,570,000	11,570,000	-
Premium on note issuance	-	76,579	76,579	-
Sale of capital assets	2,404	2,416	2,489	73
Advances out	(25,000)	(605,934)	(568,278)	37,656
Transfers in	-	232,063	232,063	-
Transfers out	(3,613,743)	(5,813,511)	(5,452,229)	361,282
Total other financing sources (uses)	(3,636,339)	5,461,613	5,860,624	399,011
Net change in fund balance	(3,534,490)	(6,750,808)	(3,181,888)	3,568,920
<b>Fund balance at beginning of year</b>	7,727,006	7,727,006	7,727,006	-
<b>Prior year encumbrances appropriated</b>	941,420	941,420	941,420	-
<b>Fund balance at end of year</b>	\$ 5,133,936	\$ 1,917,618	\$ 5,486,538	\$ 3,568,920

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Payments in lieu of taxes	\$ 1,369,000	\$ 1,369,000	\$ 1,288,496	\$ (80,504)
Total revenues	<u>1,369,000</u>	<u>1,369,000</u>	<u>1,288,496</u>	<u>(80,504)</u>
<b>Expenditures:</b>				
Transportation	453,105	21,812	19,058	2,754
Total expenditures	<u>453,105</u>	<u>21,812</u>	<u>19,058</u>	<u>2,754</u>
Excess/deficiency of revenues over/under expenditures	<u>915,895</u>	<u>1,347,188</u>	<u>1,269,438</u>	<u>(77,750)</u>
<b>Other financing uses:</b>				
Transfers (out)	-	(451,293)	(451,293)	-
Total other financing uses	<u>-</u>	<u>(451,293)</u>	<u>(451,293)</u>	<u>-</u>
Net change in fund balance	915,895	895,895	818,145	(77,750)
<b>Fund balance at beginning of year</b>	<u>3,830,724</u>	<u>3,830,724</u>	<u>3,830,724</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 4,746,619</u>	<u>\$ 4,726,619</u>	<u>\$ 4,648,869</u>	<u>\$ (77,750)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

STATEMENT OF FIUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2022

	<b>Custodial</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 444,088
Receivables (net of allowances for uncollectibles):	
Accounts	1,029
Due from other governments	61,536
Total assets	506,653
<b>Liabilities:</b>	
Accounts payable	63,005
Due to other governments	3,441
Total liabilities	66,446
<b>Net position:</b>	
Restricted for individuals, organizations and other governments	440,207
Total net position	\$ 440,207

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

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

	<b>Custodial</b>
<b>Additions:</b>	
Amounts received as fiscal agent	\$ 140,389
Licenses, permits and fees for other governments	267,601
Sales tax collection for other governments	1,520
Other custodial fund collections	18,200
Total additions	427,710
<b>Deductions:</b>	
Distributions to the State of Ohio	1,540
Distributions as fiscal agent	140,318
Licenses, permits and fees distributions to other governments	90,996
Total deductions	232,854
Net change in fiduciary net position	194,856
<b>Net position beginning of year</b>	<b>245,351</b>
<b>Net position end of year</b>	<b>\$ 440,207</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 1 - DESCRIPTION OF THE CITY**

The City of Whitehall (the “City”) is a home rule corporation established under the laws of the State of Ohio that operates under its own Charter. The current Charter, which provides for the Mayor-Council form of government, was adopted November 8, 1966 and became effective December 31, 1966.

**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 most significant of the City’s accounting policies are described below.

**A. Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. To provide necessary services to its citizens, the City is divided into various departments including police, fire fighting and prevention, emergency medical services, street maintenance, parks and recreation, public service and planning and zoning. The operation of each of these departments is directly controlled by the City through the budgetary process and therefore is included as a part of the reporting entity.

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

Based upon the application of these criteria, the City has one component unit.

*DISCRETELY PRESENTED COMPONENT UNIT*

*The Whitehall Community Improvement Corporation* - The Whitehall Community Improvement Corporation (CIC) was formed in 1984 and incorporated as a not-for-profit corporation under Chapters 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City. The CIC has been designated as the City’s agent for industrial and commercial distributions and research development. The Board of Directors of the CIC is comprised of thirteen members. Seven of the Board members are citizens of the City and six of the Board members are City employees. The City is considered to be financially accountable for the CIC and, therefore, the CIC is presented as a component unit of the City. Financial statements can be obtained from Mr. Steven B. Quincel, Treasurer, Whitehall Community Improvement Corporation, 360 S Yearling Road, Whitehall, Ohio, 43213.

Information relative to the component unit is presented in Note 23.

The City also participates in one jointly governed organization, in the Mid-Ohio Regional Planning Commission, which is further discussed in Note 18.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**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 statement of net position presents the financial condition of the governmental 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 governmental 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 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 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. The City has no proprietary funds.

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

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

TIF fund - The TIF fund accounts for the financial resources restricted for use for construction, improvements and various projects within the TIF district, which are funded by monies received in connection with tax increment financing agreements.

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

***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 distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has no trust funds. The City's only fiduciary funds are custodial funds. The City's custodial fund includes activity for COBRA extended benefits, electrical inspector fees, inspection deposits, special deposits, street maintenance deposits, plumbing permits, acreage fees, state sales tax, energy projects and flexible spending.

**D. Measurement Focus**

***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. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows are generally 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, the fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of the 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.

**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. Custodial 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 of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Outflows of Resources and Deferred Inflows of Resources*** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 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, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

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

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

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



**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**F. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. For all funds, Council appropriations are made at the fund, department and object level. This is known as the legal level of budgetary control.

***Tax Budget*** - A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except custodial funds, are legally required to be budgeted; however, only certain governmental funds are required to be reported in the basic financial statements.

***Estimated Resources*** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or before December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the City Auditor determines, and the Budget Commission agrees, that estimates need to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificate of estimated resources issued during 2022.

***Appropriations*** - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the legal level of budgetary control. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the final appropriation amounts, including all amendments and modifications legally enacted.

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

**G. Cash and Cash Equivalents**

Cash balances of the City's funds are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the balance sheet as "equity in pooled cash and investments."

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

During 2022, investments were limited to federal agency securities, U.S. Government money market, negotiable certificates of deposit, commercial paper, US Treasury Notes and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments other than STAR Ohio, are reported at fair value which is based on quoted market prices. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

At year end, the City had monies on deposit with the Franklin County Treasurer. This deposit relates to undistributed permissive taxes and has been reported on the financial statements as "cash with fiscal and escrow agent".

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 \$183,037 which includes \$107,938 assigned from other City funds.

For purpose of presentation on the financial statements, 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.

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

**H. Inventories of Materials and Supplies**

On government-wide and fund financial statements, purchased inventories are presented at cost 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 by a 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. Assets Held for Resale**

As part of an economic development program, the City has acquired land and buildings for the purpose of revitalization. The City's intent is to sell the land and buildings for development. These transactions are conducted through the City's general fund. The associated assets have been reported at lower of cost or market.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**J. Capital Assets**

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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 for all capital assets. The City’s infrastructure consists of streets and curbs, traffic signals/lights and water/sewer improvements. 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/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 - 50 years
Buildings and improvements	20 - 50 years
Equipment	5 - 20 years
Intangible leased assets	5 years
Vehicles	3 - 10 years
Infrastructure	25 years
Works of art	15 years

The City is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

**K. Compensated Absences**

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

In conformity with GASB Statement No. 16, “Accounting for Compensated Absences”, vacation and compensatory 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 City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 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.

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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.

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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, bonds, capital leases and lease purchase agreements are recognized as a liability on the government-wide financial statements. Compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**M. Prepayments**

Payments made to vendors for services that will benefit 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 expenditures/expense in the year in which it was consumed.

**N. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables”. These amounts are eliminated in the governmental column of the statement of net position.

**O. Interfund Activity**

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

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

**P. 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. It also includes land held for resale in the general fund, unclaimed monies in the general fund, and year-end balances of materials and supplies inventory and prepayments.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

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

**Q. 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.

**R. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

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

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

**T. Pensions/Other Postemployment Benefits (OPEB)**

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

**U. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**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.

These changes were incorporated in the City's 2022 financial statements. The City recognized \$331,703 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

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.

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**

Fund balances at December 31, 2022 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Coronavirus Emergency Supplemental Fund	\$ 43,793
Recreation Bond Fund	94,230
Police Building Renovation/Addition	73,750

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.



**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

**A. Cash with Fiscal and Escrow Agent**

At year-end, the City had \$443,970 on deposit with the Franklin County Treasurer. The data regarding insurance and collateralization can be obtained from the Franklin County Annual Comprehensive Financial Report for the year ended December 31, 2022. This amount is not included in the City's depository balance below.

**B. Cash in Segregated Accounts**

At year-end, the City had \$793 in cash in segregated accounts related to farmers market activity that is being passed through the City. This amount is not included in the City's depository balance below.

**C. Deposits with Financial Institutions**

At December 31, 2022, the carrying amount of all City deposits was \$13,427,213 and the bank balance of all City deposits was \$13,757,929. Of the bank balance, \$500,000 was covered by the FDIC, \$4,695,662 was covered by the Ohio Pooled Collateral System and \$8,562,267 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized. 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.

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 fair 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 fair 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, some of the City's financial institutions were approved for a reduced collateral rate of 50 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.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Investments**

As of December 31, 2022, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
<i>Fair Value:</i>						
FHLMC	\$ 388,368	\$ -	\$ 254,013	\$ -	\$ -	\$ 134,355
FFCB	240,477	-	-	-	-	240,477
FNMA	175,779	-	175,779	-	-	-
FHLB	870,349	870,349	-	-	-	-
Negotiable CD's	2,935,176	494,696	724,814	390,320	1,015,036	310,310
U.S. Treasury notes	241,562	-	-	-	-	241,562
Commercial paper	3,163,286	2,240,454	922,832	-	-	-
U.S. Government money market	22,198	22,198	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>3,158,675</u>	<u>3,158,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,195,870</u>	<u>\$ 6,786,372</u>	<u>\$ 2,077,438</u>	<u>\$ 390,320</u>	<u>\$ 1,015,036</u>	<u>\$ 926,704</u>

The weighted average maturity of investments is 0.66 years.

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

*Interest Rate Risk:* The City's investment policy states that the City will minimize interest rate risk by investing operating funds primarily in shorter-term securities and by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. With certain limitations, the City's investment policy states that the maximum maturity period for securities bearing interest at a fixed rate should be no greater than five years.

In addition, eligible investments bearing interest rates at a variable rate must have a maturity not greater than two years. The Ohio Revised Code requires repurchase agreements to not exceed 30 days and the fair value of securities for repurchase agreements must exceed the principal value by an amount greater than or equal to two percent.

*Credit Risk:* The City's investments in federal agency securities and U.S. Treasury Notes were rated AA+ and Aaa by Standard and Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The City's U.S. Government money market mutual funds were rated AAAm by Standard & Poor's. The City's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's. The negotiable CDs are fully covered by the FDIC. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, U.S. Treasury notes, and commercial paper were exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Auditor or qualified trustee.

*Concentration of Credit Risk:* The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

The following table includes the percentage of each investment type held by the City at December 31, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLMC	\$ 388,368	3.47
FFCB	240,477	2.15
FNMA	175,779	1.57
FHLB	870,349	7.77
Negotiable CD's	2,935,176	26.22
U.S. Treasury notes	241,562	2.16
Commercial paper	3,163,286	28.25
U.S. Government money market	22,198	0.20
<i>Amortized Cost:</i>		
STAR Ohio	<u>3,158,675</u>	<u>28.21</u>
	<u>\$ 11,195,870</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 13,427,213
Investments	11,195,870
Cash with fiscal and escrow agents	443,970
Cash in segregated accounts	<u>793</u>
Total	<u>\$ 25,067,846</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 24,623,758
Custodial funds	<u>444,088</u>
Total	<u>\$ 25,067,846</u>

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 5 - INTERFUNDS**

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

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General fund	\$ 4,138,263
TIF fund	451,293
Nonmajor governmental funds	20,258
 <u>Transfers to general fund from:</u>	
Nonmajor governmental funds	<u>232,063</u>
 Total transfers	 <u>\$ 4,841,877</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund (a nonmajor governmental fund) as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from the TIF fund to the nonmajor governmental funds were for debt service and economic development incentives. Transfers from nonmajor governmental funds to nonmajor governmental funds were for debt service and new fund establishment. Transfers from nonmajor governmental funds to the general fund were related to the City's short term note issuances.

All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities.

- B. Interfund loans consisted of the following at December 31, 2022, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 318,278
Nonmajor governmental funds	Nonmajor governmental funds	<u>176,872</u>
Total		<u>\$ 495,150</u>

The interfund loans are expected to be repaid once the anticipated revenues are received by the borrowing funds. Interfund balances between governmental funds are eliminated for reporting on the statement of net position.

**NOTE 6 - PROPERTY TAXES**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 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.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 6 - PROPERTY TAXES - (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Whitehall. 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 of resources since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2022 was \$1.50 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:

<u>Real property</u>	
Residential/agricultural	\$ 168,504,070
Commercial/industrial/mineral	94,391,120
<u>Public utility</u>	
Real	149,020
Personal	<u>17,119,960</u>
Total assessed value	<u>\$ 280,164,170</u>

**NOTE 7 - LOCAL INCOME TAX**

The City levies a municipal income tax of 2.5% on all salaries, wages, commissions and other compensation; on net profits earned within the City; and on incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100% for any income tax paid to another municipality to a maximum of the total amount assessed. Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax revenue has been reported as revenue in the general fund to the extent that it was measurable and available to finance current operations at December 31. Income tax revenue for 2022 was \$31,201,426 in the general fund.

**NOTE 8 - TAX INCREMENT FINANCING DISTRICTS (TIF)**

The City, pursuant to the Ohio Revised Code and City ordinances, has established eight TIFs. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes. PILOT revenue was \$1,288,496 in 2022 as reported in the fund financial statements. The TIFs have a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOT's cease and property taxes then apply to the increased property values.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 9 - RECEIVABLES**

- A. Receivables at December 31, 2022, consisted of taxes, accounts (billings for user charged services), leases, accrued interest, special assessments, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2022.

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

**Governmental activities:**

Municipal income taxes	\$3,937,483
Property and other taxes	1,283,132
Payment in lieu of taxes	2,726,790
Accounts	437,266
Leases	304,207
Special assessments	61,816
Accrued interest	21,347
Due from other governments	<u>1,064,005</u>
Total	<u>\$9,836,046</u>

Receivables have been disaggregated on the face of the financial statements. The only receivable not expected to be collected within the subsequent year is the special assessments which are collected over the life of the assessment.

**B. Leases Receivable**

The City is reporting leases receivable of \$304,207 in the general fund. For fiscal year 2022, the City recognized lease revenue of \$27,496, which is reported in rental income, and interest revenue of \$15,814 in the governmental funds.

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

<u>Purpose</u>	<u>Fund</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Cell Tower	General	2022	10	2031	Monthly
Cell Tower	General	2022	10	2031	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 27,457	\$ 14,587	\$ 42,044
2024	28,862	13,182	42,044
2025	30,338	11,705	42,043
2026	31,890	10,153	42,043
2027	33,522	8,522	42,044
2028-2031	<u>152,138</u>	<u>16,036</u>	<u>168,174</u>
Total	<u>\$ 304,207</u>	<u>\$ 74,185</u>	<u>\$ 378,392</u>

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 10 - CAPITAL ASSETS**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported capital assets for the intangible right to use leased equipment which are reflected in the schedule below. These were previously reported in the equipment assets class. Capital asset activity for the year ended December 31, 2022 was as follows:

	Restated Balance <u>12/31/21</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/22</u>
<b><u>Governmental activities:</u></b>				
<i>Capital assets, not being depreciated/amortization:</i>				
Land	\$ 1,970,582	\$ -	\$ -	\$ 1,970,582
Construction in progress	<u>3,439,824</u>	<u>3,213,900</u>	<u>(1,791,418)</u>	<u>4,862,306</u>
Total capital assets, not being depreciated/amortized	<u>5,410,406</u>	<u>3,213,900</u>	<u>(1,791,418)</u>	<u>6,832,888</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,960,155	126,786	-	2,086,941
Buildings and improvements	17,550,930	81,745	-	17,632,675
Equipment	3,582,599	108,696	(93,900)	3,597,395
Intangible right to use:				
Leased equipment	25,837	68,030	-	93,867
Vehicles	5,561,657	100,645	(188,478)	5,473,824
Works of Art	17,434	-	-	17,434
Infrastructure	<u>55,534,107</u>	<u>1,855,500</u>	<u>-</u>	<u>57,389,607</u>
Total capital assets, being depreciated/amortized	<u>84,232,719</u>	<u>2,341,402</u>	<u>(282,378)</u>	<u>86,291,743</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(507,761)	(80,175)	-	(587,936)
Buildings and improvements	(6,468,913)	(498,173)	-	(6,967,086)
Equipment	(1,988,316)	(264,997)	71,807	(2,181,506)
Intangible right to use:				
Leased equipment	(10,754)	(7,327)	-	(18,081)
Vehicles	(3,296,021)	(458,533)	150,307	(3,604,247)
Works of Art	(2,906)	(1,162)	-	(4,068)
Infrastructure	<u>(26,419,113)</u>	<u>(1,869,632)</u>	<u>-</u>	<u>(28,288,745)</u>
Total accumulated depreciation/amortization	<u>(38,693,784)</u>	<u>(3,179,999)</u>	<u>222,114</u>	<u>(41,651,669)</u>
Total capital assets, being depreciated/amortized, net	<u>45,538,935</u>	<u>(838,597)</u>	<u>(60,264)</u>	<u>44,640,074</u>
Governmental activities capital assets, net	<u>\$ 50,949,341</u>	<u>\$ 2,375,303</u>	<u>\$ (1,851,682)</u>	<u>\$ 51,472,962</u>

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 10 - CAPITAL ASSETS - (Continued)**

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

**Governmental activities:**

General government	\$ 67,856
Security of persons and property	528,492
Transportation	2,007,254
Community environment	162
Leisure time activity	<u>576,235</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 3,179,999</u>

**NOTE 11 - LONG - TERM OBLIGATIONS**

- A. Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the City has reported obligations for leases payable which are reflected in the schedule below. In 2022, the following changes occurred in the City's governmental activities long-term obligations.

<b><u>Governmental activities:</u></b>	Restated Balance <u>12/31/21</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/22</u>	Amounts Due in <u>One Year</u>
General obligation bonds	\$ 7,200,000	\$ -	\$ (455,000)	\$ 6,745,000	\$ 470,000
OPWC loans - direct borrowings	1,601,536	-	(92,484)	1,509,052	92,483
Revenue bonds	2,895,000	-	(260,000)	2,635,000	265,000
FCIB loan - direct borrowing	285,469	-	(92,751)	192,718	63,155
Note payable - financed purchase	1,385,065	-	(152,275)	1,232,790	158,775
Lease payable	15,898	68,030	(7,094)	76,834	17,182
Net pension liability	31,386,342	-	(3,164,406)	28,221,936	-
Net OPEB liability	4,098,955	311,088	-	4,410,043	-
Compensated absences	<u>2,179,228</u>	<u>1,515,825</u>	<u>(1,355,948)</u>	<u>2,339,105</u>	<u>1,186,005</u>
Total governmental activities	<u>\$ 51,047,493</u>	<u>\$ 1,894,943</u>	<u>\$ (5,579,958)</u>	\$ 47,362,478	<u>\$ 2,252,600</u>
Add: unamortized bond premiums				<u>365,042</u>	
Total on statement of net position				<u>\$ 47,727,520</u>	

**General Obligation Bonds**

On September 24, 2014, the City issued \$1,475,000 in general obligation serial bonds, for the purpose of improving streetscapes and acquiring land. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 2.75% and are scheduled to mature on December 1, 2028. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund). At December 31, 2022, the City had \$80,725 of unspent bond proceeds remaining on the general obligation serial bonds.

On July 14, 2015, the City issued \$2,500,000 in recreational facilities construction and improvement bonds, for the purpose of designing, constructing and improving various recreational facilities. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 2.69% and are scheduled to mature on June 1, 2030. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).



**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)**

On July 31, 2019, the City issued \$5,000,000 in recreational facilities improvement bonds, for the purpose of designing, constructing and improving various recreational facilities. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 5.00% and are scheduled to mature on December 31, 2039. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).

The following is a summary of the City's future annual debt service requirements to maturity for the general obligation bonds payable:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 470,000	\$ 221,126	\$ 691,126
2024	485,000	204,076	689,076
2025	505,000	18,632	523,632
2026	525,000	167,935	692,935
2027	540,000	148,707	688,707
2028 - 2032	2,045,000	481,025	2,526,025
2033 - 2037	1,505,000	238,650	1,743,650
2038 - 2039	<u>670,000</u>	<u>30,300</u>	<u>700,300</u>
Total	<u>\$ 6,745,000</u>	<u>\$1,510,451</u>	<u>\$ 8,255,451</u>

**Ohio Public Works Commission (OPWC) Loans**

OPWC loans were issued during 2010 for the Mayflower Boulevard reconstruction, 2011 for the Country Club Village Roadway Improvements, 2012 for the Rosemore Avenue reconstruction, 2015 for Hamilton Road improvements, 2016 for additional Hamilton Road improvements, for Etna Road improvements, and during 2017 for additional Hamilton Road and Etna Road improvements, during 2019 for Roadway Improvements for Yearling Road and during 2020 and 2021 for additional Roadway Improvements for Yearling Road. The proceeds were deposited into the City's nonmajor capital improvement funds. The loans are interest free and principal payments are made from the debt service fund (a nonmajor governmental fund).

In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

The following is a summary of the City's future debt service principal and interest requirements for the OPWC loans.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)**

Year Ending December 31,	Principal	Interest	Total
2023	\$ 92,483	\$ -	\$ 92,483
2024	92,483	-	92,483
2025	92,483	-	92,483
2026	92,483	-	92,483
2027	92,483	-	92,483
2028 - 2032	462,416	-	462,416
2033 - 2037	326,632	-	326,632
2038 - 2042	198,746	-	198,746
2043 - 2044	<u>58,843</u>	<u>-</u>	<u>58,843</u>
Total	<u>\$ 1,509,052</u>	<u>\$ -</u>	<u>\$ 1,509,052</u>

**Revenue Bonds**

The City has pledged future nontax revenues in the City’s general fund to repay \$4,100,000 in in Series 2016 nontax revenue bonds. The City transfers the required amount of the debt payment to the debt service fund (a nonmajor governmental fund) yearly. The proceeds were used to acquire the real and personal property within the City generally known as the Commons at Royal Landing as part of a project to redevelop that property with a mix of commercial and residential uses. The Series 2016 revenue bonds are payable solely from nontax revenues in the general fund and are payable through 2031. The bonds have an annual interest rate of 2.20%. The most significant amounts of nontax revenues in the City’s general fund which are pledged for these purposes are derived from charges for services, licenses and permits and fines and forfeitures. Annual principal and interest payments on the revenue bonds are expected to require less than 12.39 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2016 revenue bonds is \$2,905,545. Principal and interest paid for the current year was \$260,000 and \$60,830, respectively. General fund nontax revenues for the current year were \$2,590,198.

The following is a summary of the City’s future debt service principal and interest requirements for the Revenue Bonds.

Year Ending December 31,	Principal	Interest	Total
2023	\$ 265,000	\$ 55,055	\$ 320,055
2024	270,000	49,170	319,170
2025	280,000	43,120	323,120
2026	285,000	36,905	321,905
2027	290,000	30,580	320,580
2028 - 2031	<u>1,245,000</u>	<u>55,715</u>	<u>1,300,715</u>
Total	<u>\$ 2,635,000</u>	<u>\$ 270,545</u>	<u>\$ 2,905,545</u>

**Franklin County Infrastructure Bank (FCIB) Loan**

During 2016, the City entered into a Franklin County Infrastructure Bank (FCIB) Loan in the amount of \$550,000. The proceeds will be used to finance improvements to the north Hamilton Road corridor. The interest rate on the loan is 1.70%. Principal and interest payments on the bonds are due on April 1 and October 1 of each year and will be paid from the debt service fund (a nonmajor governmental fund). The final maturity date is October 1, 2025. This loan is a direct borrowing that has terms negotiated between the City and the creditor.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - LONG - TERM OBLIGATIONS - (Continued)**

The following is a summary of the City's future debt service principal and interest requirements for the FCIB Loan.

Year Ending December 31,	Principal	Interest	Total
2023	\$ 63,155	\$ 3,009	\$ 66,164
2024	64,233	1,931	66,164
2025	<u>65,330</u>	<u>833</u>	<u>66,163</u>
Total	<u>\$ 192,718</u>	<u>\$ 5,773</u>	<u>\$ 198,491</u>

**Note Payable - Financed Purchase**

- A. During a prior year, the City entered into a Master Lease Agreement in the amount of \$273,949 for the purchase of a freightliner. The interest rates on the note is 4.26%. Capital assets consisting of vehicles have been capitalized in the amount of \$273,949. This amount represents the present value of the minimum payments at the time of acquisition. Accumulated depreciation as of December 31, 2022 was \$95,882, leaving a current book value of \$178,067. A corresponding liability was recorded in the government-wide financial statements. Principal and interest payments on the note are due monthly and will be paid from the fleet reserve & maintenance fund (a nonmajor governmental fund). During the current year, principal and interest payments totaled \$55,275 and \$5,649, respectively.

The following is a summary of the City's future debt service principal and interest requirements for the note payable.

Year Ending December 31,	Principal	Interest	Total
2023	\$ 57,675	\$ 3,249	\$ 60,924
2024	<u>44,893</u>	<u>800</u>	<u>45,693</u>
Total	<u>\$ 102,568</u>	<u>\$ 4,049</u>	<u>\$ 106,617</u>

- B. During a prior year, the City entered into a Master Lease Agreement in the amount of \$1,631,772 for energy conservation measures. The interest rates on the note is 2.90%. Principal and interest payments on the note are due on April 29 and October 29 of each year and will be paid from the debt service fund (a nonmajor governmental fund). During the current year, principal and interest payments totaled \$97,000 and \$34,890, respectively. The final maturity date is April 29, 2032.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)**

The following is a summary of the City's future debt service principal and interest requirements for the note.

Year Ending December 31,	Principal	Interest	Total
2023	\$ 101,100	\$ 32,047	\$ 133,147
2024	105,400	29,088	134,488
2025	109,900	25,997	135,897
2026	114,450	22,777	137,227
2027	119,300	19,424	138,724
2028 - 2032	<u>580,072</u>	<u>41,971</u>	<u>622,043</u>
Total	<u>\$ 1,130,222</u>	<u>\$ 171,304</u>	<u>\$ 1,301,526</u>

**Lease Payable**

The City has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid from the technology fund (a nonmajor governmental fund).

The City has entered into lease agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2019	5	2024	Monthly
Copiers	2020	5	2025	Monthly
Copiers	2022	5	2028	Monthly

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

Fiscal Year	Principal	Interest	Total
2023	\$ 17,182	\$ 3,451	\$ 20,633
2024	15,751	2,607	18,358
2025	14,756	1,849	16,605
2026	13,612	1,148	14,760
2027	14,308	452	14,760
2028	<u>1,225</u>	<u>5</u>	<u>1,230</u>
Total	<u>\$ 76,834</u>	<u>\$ 9,512</u>	<u>\$ 86,346</u>

**Net Pension Liability and Net OPEB Liability**

See Notes 13 and 14 for more details. The City pays obligations related to employee compensation from their service which for the City, is primarily the general fund.

**CITY OF WHITEHALL  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)**

**Compensated Absences**

Compensated absences are paid primarily from the general fund and the street maintenance and repair fund (a nonmajor governmental fund).

**B. Legal Debt Margin**

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in 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 \$22,730,050 and the unvoted debt margin was \$15,409,029.

**NOTE 12 - RISK MANAGEMENT**

**A. Comprehensive**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the City was insured through the Public Entities Pool of Ohio for all property, general liability, auto, public official liability, errors and omissions and law enforcement liability. Real property contents are 90% coinsured.

The City has transferred its risk of loss to the insurance carrier to the extent of the limits shown below:

<u>Type of Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Property	\$21,526,896	\$2,500
General liability	6,000,000	0
Vehicles - Comprehensive/Collision	6,000,000	0
Law enforcement	6,000,000	10,000
Public management	6,000,000	5,000
Employment practices	6,000,000	5,000
Aggregate	6,000,000	0

**B. Health Insurance**

The City has a Risk Management program (within its general fund) to account for and finance its uninsured risks of loss. Under this program, the City provides coverage for up to a maximum of \$70,000 per person per year for 2022. The City purchases commercial insurance for claims in excess of coverage provided by the Plan and for all other risks of loss.

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$ 599,245	\$ 2,242,655	\$ (2,350,114)	\$ 491,786
2021	335,866	2,582,543	(2,319,164)	599,245

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The entire claims liability of \$491,786 will be liquidated using expendable available resources and, therefore, is reported as a liability of the general fund.

**C. Workers' Compensation**

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.

Claims have not exceeded coverage limitations in any of the past three years and there has been no significant reduction in coverage from the prior year.

**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 due to other governments on both the accrual and modified accrual bases of accounting.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. 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):

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

**CITY OF WHITEHALL  
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**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
<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2022 Actual Contribution Rates</b>	
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%.



**CITY OF WHITEHALL  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,105,717 for 2022. Of this amount, \$14,202 is reported as due to other governments.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2022 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2022 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,599,980 for 2022. Of this amount, \$53,264 is reported as due to other governments.

***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:

	<u>OPERS - Traditional</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.03385400%	0.02037900%	0.38687040%	
Proportion of the net pension liability/asset current measurement date	<u>0.03546700%</u>	<u>0.02358000%</u>	<u>0.40234460%</u>	
Change in proportionate share	<u>0.00161300%</u>	<u>0.00320100%</u>	<u>0.01547420%</u>	
Proportionate share of the net pension liability	\$ 3,085,773	\$ -	\$ 25,136,163	\$ 28,221,936
Proportionate share of the net pension asset	-	(4,281)	-	(4,281)
Pension expense	(227,976)	(687)	1,891,998	1,663,335

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ 157,308	\$ 4,233	\$ 724,778	\$ 886,319
Changes of assumptions	385,872	143	4,593,812	4,979,827
Changes in employer's proportionate percentage/difference between employer contributions	359,880	-	1,463,512	1,823,392
Contributions subsequent to the measurement date	1,089,407	16,310	2,599,980	3,705,697
Total deferred outflows of resources	<u>\$ 1,992,467</u>	<u>\$ 20,686</u>	<u>\$ 9,382,082</u>	<u>\$ 11,395,235</u>
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ 67,678	\$ -	\$ 1,306,735	\$ 1,374,413
Net difference between projected and actual earnings on pension plan investments	3,670,414	976	6,590,315	10,261,705
Changes in employer's proportionate percentage/difference between employer contributions	13,174	-	914,337	927,511
Total deferred inflows of resources	<u>\$ 3,751,266</u>	<u>\$ 976</u>	<u>\$ 8,811,387</u>	<u>\$ 12,563,629</u>

\$3,705,697 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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:

Year Ending December 31:	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
2023	\$ (241,978)	\$ 423	\$ 140,794	\$ (100,761)
2024	(1,159,287)	321	(1,606,208)	(2,765,174)
2025	(863,064)	381	(870,703)	(1,733,386)
2026	(583,877)	399	(347,579)	(931,057)
2027	-	526	654,411	654,937
Thereafter	-	1,350	-	1,350
<b>Total</b>	<b>\$ (2,848,206)</b>	<b>\$ 3,400</b>	<b>\$ (2,029,285)</b>	<b>\$ (4,874,091)</b>

**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.

**CITY OF WHITEHALL  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	<u>100.00 %</u>	<u>4.21 %</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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	\$ 8,135,775	\$ 3,085,773	\$ (1,116,501)
Member-Directed Plan	(3,773)	(4,281)	(4,716)

**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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy 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
<b>Total</b>	<b>125.00 %</b>	

Note: assumptions are geometric.

\* levered 2x

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	\$ 37,276,580	\$ 25,136,163	\$ 15,026,194

**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.



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**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.

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**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 \$6,524 for 2022. Of this amount, \$84 is reported as due to other governments.

***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](http://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.

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**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 \$61,607 for 2022. Of this amount, \$1,262 is reported as due to other governments.

***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:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.03233800%	0.38687040%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.03395600%</u>	<u>0.40234460%</u>	
Change in proportionate share	<u>0.00161800%</u>	<u>0.01547420%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 4,410,043	\$ 4,410,043
Proportionate share of the net OPEB asset	(1,063,554)	-	(1,063,554)
OPEB expense	(975,992)	438,268	(537,724)

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**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
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 200,618	\$ 200,618
Changes of assumptions	-	1,952,021	1,952,021
Changes in employer's proportionate percentage/ difference between employer contributions	25,537	493,829	519,366
Contributions subsequent to the measurement date	6,524	61,607	68,131
Total deferred outflows of resources	<u>\$ 32,061</u>	<u>\$ 2,708,075</u>	<u>\$ 2,740,136</u>
	OPERS	OP&F	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 161,326	\$ 582,849	\$ 744,175
Net difference between projected and actual earnings on OPEB plan investments	507,028	398,373	905,401
Changes of assumptions	430,515	512,201	942,716
Changes in employer's proportionate percentage/ difference between employer contributions	52,484	224,337	276,821
Total deferred inflows of resources	<u>\$ 1,151,353</u>	<u>\$ 1,717,760</u>	<u>\$ 2,869,113</u>

\$68,131 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2023	\$ (715,326)	\$ 259,136	\$ (456,190)
2024	(226,891)	199,996	(26,895)
2025	(110,782)	225,710	114,928
2026	(72,817)	35,753	(37,064)
2027	-	92,270	92,270
Thereafter	-	115,843	115,843
Total	<u>\$ (1,125,816)</u>	<u>\$ 928,708</u>	<u>\$ (197,108)</u>

***Actuarial Assumptions - OPERS***

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

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
<b>Total</b>	<b>100.00 %</b>	<b>3.45 %</b>

**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.

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***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	\$ 625,470	\$ 1,063,554	\$ 1,427,171

***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	\$ 1,075,047	\$ 1,063,554	\$ 1,049,920

***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.



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**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%.

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

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on 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.

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**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
<b>Total</b>	<b>125.00 %</b>	

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.

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 5,543,522	\$ 4,410,043	\$ 3,478,321

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**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 - SHORT TERM NOTES PAYABLE**

On November 16, 2021, the City issued a short-term special obligation nontax revenue note, series 2021 in the amount of \$9,840,000. The note matured during 2022.

On November 16, 2021, the City issued a short-term judgement note, series 2021 in the amount of \$1,805,000. The note matured during 2022.

On December 1, 2022, the City issued a short-term special obligation nontax revenue note, series 2022A and 2022B in the amount of \$7,545,000 and \$2,220,000, respectively. The series 2022A note bears a rate of 4.75% and has a maturity of one year. The series 2022B note bears a rate of 6.25% and has a maturity of one year. The City's note is backed by the full faith of the City.

On December 1, 2022, the City issued a short-term judgement note, series 2022 in the amount of \$1,805,000. The note bears rate of 5.00% and has a maturity of one year. The City's note is backed by the full faith of the City.

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis), rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

	<b>Net Change in Fund Balance</b>	
	<u>General fund</u>	<u>TIF</u>
Budget basis	\$ (3,181,888)	\$ 818,145
Net adjustment for revenue accruals	148,636	-
Net adjustment for expenditure accruals	10,124,035	-
Net adjustment for other sources/uses	(9,687,756)	-
Funds budgeted elsewhere	712,723	-
Adjustment for encumbrances	<u>1,319,027</u>	<u>-</u>
GAAP basis	<u>\$ (565,223)</u>	<u>\$ 818,145</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, self-funded insurance trust fund, tax incentive program fund, accrued benefits fund and recreation trust fund.

**NOTE 17 - 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 a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE 18 - JOINTLY GOVERNED ORGANIZATION**

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 104 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes more than 60 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, Morrow, Union, Hocking, Logan, Perry, Marion, Knox and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 19 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 1,326,518
Other governmental	<u>1,797,629</u>
	<u>\$ 3,124,147</u>

**NOTE 20 - FUND BALANCE**

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

<u>Fund balance</u>	<u>General</u>	<u>TIF</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Materials and supplies inventory	\$ 111,420	\$ -	\$ 113,029	\$ 224,449
Prepays	437,999	-	-	437,999
Land held for resale	6,000,000	-	-	6,000,000
Unclaimed monies	<u>38,357</u>	<u>-</u>	<u>-</u>	<u>38,357</u>
Total nonspendable	<u>6,587,776</u>	<u>-</u>	<u>113,029</u>	<u>6,700,805</u>
Restricted:				
Judicial operations	-	-	240,330	240,330
Security programs	-	-	1,097,708	1,097,708
Public health service programs	-	-	74,469	74,469
Leisure time activities	-	-	151,030	151,030
Economic development	-	-	204,325	204,325
Street maintenance	-	4,648,869	1,230,012	5,878,881
Capital projects	<u>-</u>	<u>-</u>	<u>223,552</u>	<u>223,552</u>
Total restricted	<u>-</u>	<u>4,648,869</u>	<u>3,221,426</u>	<u>7,870,295</u>
Committed:				
Utility services	-	-	1,950	1,950
Fire department	-	-	1,364,334	1,364,334
Security programs	-	-	477,745	477,745
General government	-	-	300	300
Capital projects	<u>-</u>	<u>-</u>	<u>4,516,113</u>	<u>4,516,113</u>
Total committed	<u>-</u>	<u>-</u>	<u>6,360,442</u>	<u>6,360,442</u>
Assigned:				
Debt service	<u>-</u>	<u>-</u>	<u>57,812</u>	<u>57,812</u>
Total assigned	<u>-</u>	<u>-</u>	<u>57,812</u>	<u>57,812</u>
Unassigned (deficit)	<u>(2,324,115)</u>	<u>-</u>	<u>(211,773)</u>	<u>(2,535,888)</u>
Total fund balances	<u>\$ 4,263,661</u>	<u>\$ 4,648,869</u>	<u>\$ 9,540,936</u>	<u>\$ 18,453,466</u>

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 21 - TAX ABATEMENTS AND TAX CREDITS**

**Income Tax Credits**

The City, by Ordinance, may grant a refundable or nonrefundable credit against its tax on income to a taxpayer to foster job creation and/or for the purpose of fostering job retention in the City of Whitehall. For new job creation, if a credit is granted, it shall be measured as a percentage of the new income tax revenue the City derives from new employees of the taxpayer. For job retention, if a credit is granted, it shall be measured as a percentage of the income tax revenue the City derives from the retained employees of the taxpayer. Before the City passes an Ordinance granting a credit and/or allowing such a credit, the City and the taxpayer shall enter into an agreement specifying all the conditions of the credit.

As a result of entering into four grant agreements, the City awarded \$606,324 to local businesses during 2022.

**NOTE 22 - OTHER COMMITMENTS**

At December 31, 2022, the City had uncompleted contracts, as follows:

<u>Description</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining Commitment</u>
FRA Whitehall Signals (PID 90383 & 99827)	5,079,218	5,005,894	73,324
2022 Sanitary Sewer Rehbilitation/Improvements	389,421	341,013	48,408
Woodcliff Drive Realignment (CC01Y/CC02Y)	4,244,963	336,995	3,907,968
Broad Street and Hamilton Road (OPWC) (DCY01-0)	10,923,278	-	10,923,278
Poth Road	3,997,033	3,247,606	749,427
Columbus Blue Jackets Street Hockey Park	261,000	199,800	61,200
2022 Water Main Replacement	539,980	152,063	387,917
2022 Street Maintenance Program	1,233,400	1,186,532	46,868
E Broad St Improvement (CC01Z/CC02Z)	3,073,723	53,664	3,020,059
Police Department Renovation	8,080,000	53,150	8,026,850

**NOTE 23 - WHITEHALL COMMUNITY IMPROVEMENT CORPORATION**

The Whitehall Community Improvement Corporation (CIC) was formed in 1984 and incorporated as a not-for-profit corporation under Chapters 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City. The CIC has been designated as the City's agent for industrial and commercial distributions and research development. The Board of Directors of the CIC is comprised of thirteen members. Seven of the Board members are citizens of the City and six of the Board members are City employees. The City is considered to be financially accountable for the CIC and, therefore, the CIC is presented as a component unit of the City. Financial statements can be obtained from the Whitehall Community Improvement Corporation, 360 S Yearling Road, Whitehall, Ohio, 43213.

**Summary of Significant Accounting Policies**

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

**A. Basis of Accounting**

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 23 - WHITEHALL COMMUNITY IMPROVEMENT CORPORATION - (Continued)**

**B. Federal Income Tax**

The Whitehall Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

**C. Cash and Cash Equivalents**

All cash in the CIC's checking account is considered to be cash and cash equivalents. All monies received by the CIC are deposited into a demand deposit account.

**D. Capital Assets and Depreciation**

The CIC's capital assets consist of a building which is recorded at cost. Improvements are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

The CIC's building is depreciated using the straight-line method over an estimated useful life of 30 years.

**E. Assets Held for Resale**

As part of an economic development program, the CIC has acquired land and buildings for the purpose of revitalization. The CIC's intent is to sell the land and buildings for development. The associated assets have been reported at lower of cost or market.

**F. Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC has no restricted net position.

**G. Estimates**

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

**H. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent occurrence. Special items are transactions or events that are within the control of the CIC Board and that are either unusual in nature or infrequent in occurrence. During 2022, the CIC did not have any extraordinary or special items.

**Deposits**

At December 31, 2022, the carrying amount of the CIC's deposits was \$85,953. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2022, the entire bank balance of \$85,953 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 23 - WHITEHALL COMMUNITY IMPROVEMENT CORPORATION - (Continued)**

**Capital Assets**

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

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/22</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	\$ 261,944	\$ -	\$ -	\$ 261,944
Total capital assets, being depreciated	<u>\$ 261,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,944</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	\$ (82,948)	\$ (8,731)	\$ -	\$ (91,679)
Total accumulated depreciation	<u>\$ (82,948)</u>	<u>\$ (8,731)</u>	<u>\$ -</u>	<u>\$ (91,679)</u>
Total capital assets, net	<u>\$ 178,996</u>	<u>\$ (8,731)</u>	<u>\$ -</u>	<u>\$ 170,265</u>

**Lease Receivable**

The CIC is reporting leases receivable of \$24,232. For fiscal year 2022, the CIC recognized lease revenue of \$10,822, which is reported in rental income and interest revenue of \$1,742 related to the leases.

The CIC has entered into lease agreements for building space rental with multiple companies at varying years and terms.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 17,136	\$ 764	\$ 17,900
2024	<u>7,096</u>	<u>104</u>	<u>7,200</u>
Total	<u>\$ 24,232</u>	<u>\$ 868</u>	<u>\$ 25,100</u>

**Litigation**

The CIC is involved in no material litigation as either plaintiff or defendant.



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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WHITEHALL  
FRANKLIN 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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.035467%	0.033854%	0.035258%	0.035567%
City's proportionate share of the net pension liability	\$ 3,085,773	\$ 5,013,040	\$ 6,968,983	\$ 9,741,080
City's covered payroll	\$ 7,128,079	\$ 6,604,436	\$ 6,836,850	\$ 6,625,729
City's proportionate share of the net pension liability as a percentage of its covered payroll	43.29%	75.90%	101.93%	147.02%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.000000%	0.000000%	0.000000%	0.000000%
City's proportionate share of the net pension asset	n/a	n/a	n/a	n/a
City's covered payroll	n/a	n/a	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	n/a	n/a	n/a	n/a
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.023580%	0.020379%	0.027533%	0.002825%
City's proportionate share of the net pension asset	\$ 4,281	\$ 3,715	\$ 1,041	\$ 644
City's covered payroll	\$ 147,840	\$ 122,390	\$ 163,670	\$ 161,510
City's proportionate share of the net pension asset as a percentage of its covered payroll	2.90%	3.04%	0.64%	0.40%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.033657%	0.033642%	0.033649%	0.034235%	0.034235%
\$	5,280,131	\$ 7,639,526	\$ 5,828,431	\$ 4,129,124	\$ 4,035,860
\$	6,121,031	\$ 5,983,242	\$ 5,707,225	\$ 5,838,775	\$ 4,155,192
	86.26%	127.68%	102.12%	70.72%	97.13%
	84.66%	77.25%	81.08%	86.45%	86.36%
	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
	n/a	\$ 35	n/a	n/a	n/a
	n/a	\$ 242	n/a	n/a	n/a
	n/a	14.46%	n/a	n/a	n/a
	n/a	116.55%	n/a	n/a	n/a
	0.002242%	0.008605%	0.008758%	n/a	n/a
\$	783	\$ 36	\$ 33	n/a	n/a
\$	122,890	\$ 35,358	\$ 48,775	n/a	n/a
	0.64%	0.10%	0.07%	n/a	n/a
	124.45%	103.40%	103.91%	n/a	n/a

**CITY OF WHITEHALL  
FRANKLIN 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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability	0.40234460%	0.38687040%	0.40137030%	0.42180500%
City's proportionate share of the net pension liability	\$ 25,136,163	\$ 26,373,302	\$ 27,038,447	\$ 34,430,434
City's covered payroll	\$ 11,784,795	\$ 10,982,595	\$ 10,857,436	\$ 10,844,104
City's proportionate share of the net pension liability as a percentage of its covered payroll	213.29%	240.14%	249.03%	317.50%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.40537000%	0.40866200%	0.41011200%	0.40483340%	0.40483340%
\$ 24,879,438	\$ 25,884,265	\$ 26,382,785	\$ 20,972,058	\$ 19,716,657
\$ 10,019,950	\$ 9,948,383	\$ 9,197,518	\$ 9,215,999	\$ 9,075,058
248.30%	260.19%	286.85%	227.56%	217.26%
70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,089,407	\$ 997,931	\$ 924,621	\$ 957,159
Contributions in relation to the contractually required contribution	<u>(1,089,407)</u>	<u>(997,931)</u>	<u>(924,621)</u>	<u>(957,159)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,781,479	\$ 7,128,079	\$ 6,604,436	\$ 6,836,850
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	n/a	n/a	n/a	n/a
Contributions in relation to the contractually required contribution	n/a	n/a	n/a	n/a
Contribution deficiency (excess)	n/a	n/a	n/a	n/a
City's covered payroll	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 16,310	\$ 14,784	\$ 12,239	\$ 16,367
Contributions in relation to the contractually required contribution	<u>(16,310)</u>	<u>(14,784)</u>	<u>(12,239)</u>	<u>(16,367)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 163,100	\$ 147,840	\$ 122,390	\$ 163,670
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 927,602	\$ 795,734	\$ 717,989	\$ 684,867	\$ 700,653	\$ 540,175
<u>(927,602)</u>	<u>(795,734)</u>	<u>(717,989)</u>	<u>(684,867)</u>	<u>(700,653)</u>	<u>(540,175)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,625,729	\$ 6,121,031	\$ 5,983,242	\$ 5,707,225	\$ 5,838,775	\$ 4,155,192
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
n/a	n/a	\$ 29	n/a	n/a	n/a
n/a	n/a	<u>(29)</u>	n/a	n/a	n/a
n/a	n/a	<u>\$ -</u>	n/a	n/a	n/a
n/a	n/a	\$ 242	n/a	n/a	n/a
n/a	n/a	12.00%	n/a	n/a	n/a
\$ 16,151	\$ 12,289	\$ 4,243	\$ 5,853	n/a	n/a
<u>(16,151)</u>	<u>(12,289)</u>	<u>(4,243)</u>	<u>(5,853)</u>	n/a	n/a
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	n/a	n/a
\$ 161,510	\$ 122,890	\$ 35,358	\$ 48,775	n/a	n/a
10.00%	10.00%	12.00%	12.00%	n/a	n/a



**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Police:</i>				
Contractually required contribution	\$ 1,247,917	\$ 1,139,814	\$ 1,079,089	\$ 1,063,976
Contributions in relation to the contractually required contribution	<u>(1,247,917)</u>	<u>(1,139,814)</u>	<u>(1,079,089)</u>	<u>(1,063,976)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,567,984	\$ 5,999,021	\$ 5,679,416	\$ 5,599,874
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 1,352,063	\$ 1,359,657	\$ 1,246,247	\$ 1,235,527
Contributions in relation to the contractually required contribution	<u>(1,352,063)</u>	<u>(1,359,657)</u>	<u>(1,246,247)</u>	<u>(1,235,527)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,753,460	\$ 5,785,774	\$ 5,303,179	\$ 5,257,562
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,067,363	\$ 946,522	\$ 918,456	\$ 863,865	\$ 887,962	\$ 752,080
<u>(1,067,363)</u>	<u>(946,522)</u>	<u>(918,456)</u>	<u>(863,865)</u>	<u>(887,962)</u>	<u>(752,080)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,617,700	\$ 4,981,695	\$ 4,833,979	\$ 4,546,658	\$ 4,673,484	\$ 4,736,020
19.00%	19.00%	19.00%	19.00%	19.00%	15.88%
\$ 1,228,205	\$ 1,183,990	\$ 1,201,885	\$ 1,092,952	\$ 1,067,491	\$ 884,296
<u>(1,228,205)</u>	<u>(1,183,990)</u>	<u>(1,201,885)</u>	<u>(1,092,952)</u>	<u>(1,067,491)</u>	<u>(884,296)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,226,404	\$ 5,038,255	\$ 5,114,404	\$ 4,650,860	\$ 4,542,515	\$ 4,339,038
23.50%	23.50%	23.50%	23.50%	23.50%	20.38%

**CITY OF WHITEHALL  
FRANKLIN 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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.033956%	0.032338%	0.033919%	0.034234%	0.032270%	0.031681%
City's proportionate share of the net OPEB liability(asset)	\$ (1,063,554)	\$ (576,127)	\$ 4,685,095	\$ 4,463,305	\$ 3,504,284	\$ 3,199,907
City's covered payroll	\$ 7,275,919	\$ 6,726,826	\$ 7,000,520	\$ 6,787,239	\$ 6,243,921	\$ 6,018,842
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.62%	8.56%	66.92%	65.76%	56.12%	53.16%
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%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WHITEHALL  
FRANKLIN 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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.40234460%	0.38687040%	0.40137030%	0.42180500%	0.40537000%	0.40866200%
City's proportionate share of the net OPEB liability	\$ 4,410,043	\$ 4,098,955	\$ 3,964,628	\$ 3,841,182	\$ 22,967,753	\$ 19,398,266
City's covered payroll	\$ 11,784,795	\$ 10,982,595	\$ 10,857,436	\$ 10,844,104	\$ 10,019,950	\$ 9,948,383
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.42%	37.32%	36.52%	35.42%	229.22%	194.99%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,524	\$ 5,913	\$ 4,896	\$ 6,547
Contributions in relation to the contractually required contribution	<u>(6,524)</u>	<u>(5,913)</u>	<u>(4,896)</u>	<u>(6,547)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,944,579	\$ 7,275,919	\$ 6,726,826	\$ 7,000,520
Contributions as a percentage of covered payroll	0.08%	0.08%	0.07%	0.09%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 6,460	\$ 66,126	\$ 121,680	\$ 114,145	\$ 83,992	\$ 41,552
<u>(6,460)</u>	<u>(66,126)</u>	<u>(121,680)</u>	<u>(114,145)</u>	<u>(83,992)</u>	<u>(41,552)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,787,239	\$ 6,243,921	\$ 6,018,600	\$ 5,756,000	\$ 5,838,775	\$ 4,155,192
0.10%	1.06%	2.02%	1.98%	1.44%	1.00%

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Police:</i>				
Contractually required contribution	\$ 32,840	\$ 29,995	\$ 28,397	\$ 27,999
Contributions in relation to the contractually required contribution	<u>(32,840)</u>	<u>(29,995)</u>	<u>(28,397)</u>	<u>(27,999)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,567,984	\$ 5,999,021	\$ 5,679,416	\$ 5,599,874
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 28,767	\$ 28,929	\$ 26,516	\$ 26,288
Contributions in relation to the contractually required contribution	<u>(28,767)</u>	<u>(28,929)</u>	<u>(26,516)</u>	<u>(26,288)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,753,460	\$ 5,785,774	\$ 5,303,179	\$ 5,257,562
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 28,088	\$ 24,170	\$ 24,170	\$ 23,348	\$ 23,234	\$ 171,235
<u>(28,088)</u>	<u>(24,170)</u>	<u>(24,170)</u>	<u>(23,348)</u>	<u>(23,234)</u>	<u>(171,235)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,617,700	\$ 4,981,695	\$ 4,833,979	\$ 4,546,658	\$ 4,673,484	\$ 4,736,020
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%
\$ 26,132	\$ 25,572	\$ 25,572	\$ 23,254	\$ 18,126	\$ 155,898
<u>(26,132)</u>	<u>(25,572)</u>	<u>(25,572)</u>	<u>(23,254)</u>	<u>(18,126)</u>	<u>(155,898)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,226,404	\$ 5,038,255	\$ 5,114,404	\$ 4,650,860	\$ 4,542,515	\$ 4,339,038
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%



**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

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*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)

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

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*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)

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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)

**CITY OF WHITEHALL  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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%.

**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 Whitehall  
Franklin County  
360 South Yearling Road  
Whitehall, Ohio 43213

To the Members of the City Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitehall, Franklin 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 Whitehall's basic financial statements and have issued our report thereon dated June 26, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Whitehall'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 Whitehall's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Whitehall'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 Whitehall'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.

City of Whitehall

Franklin County

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*

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Whitehall'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 Whitehall'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 Whitehall's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

June 26, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF WHITEHALL**

**FRANKLIN 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 8/29/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)