

**CITY OF ST. CLAIRSVILLE**  
**BELMONT COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2023**





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Columbus, Ohio 43215  
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Members of City Council and Mayor  
City of St. Clairsville  
P. O. Box 537  
100 Market Street  
St Clairsville, Ohio 43950

We have reviewed the *Independent Auditor's Report* of the City of St. Clairsville, Belmont County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 18, 2024

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**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

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BELMONT COUNTY, OHIO**

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## Independent Auditor's Report

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

To the Members of the City Council and Mayor:

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Clairsville, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Police, and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Clairsville's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of St. Clairsville's ability to continue as a going concern for a reasonable period of time.

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



***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Clairsville's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2024 on our consideration of the City of St. Clairsville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Clairsville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of St. Clairsville's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
July 17, 2024

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

The discussion and analysis of the City of St. Clairsville's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- In total, net position increased \$5,644,199 from the 2022 total. Net position of governmental activities increased \$857,439 or 6.11% from 2022's net position. Net position of business-type activities increased \$4,786,760 or 18.50% from 2022's net position.
- General revenues for governmental activities accounted for \$3,849,642 or 73.11% of total revenues. Program specific revenues in the form of charges for services, and operating grants, contributions and interest accounted for \$1,415,937 or 26.89% of total revenues in the amount of \$5,265,579.
- The City had \$3,869,928 in expenses related to governmental activities; only \$1,415,937 was offset by program specific charges for services, and capital grants, operating grants, contributions and interest. General revenues in the amount of \$3,849,642 were adequate to provide for these programs.
- The City's major governmental funds are the general fund, the police fund, the street fund and the permanent improvement fund. The general fund had revenues of \$2,497,833 and expenditures and other financing uses of \$1,786,979 during 2023. The net increase in fund balance for the general fund was \$710,854 or 22.31%.
- The police fund had revenues and other financing sources of \$1,277,631 and expenditures of \$1,234,958 during 2023. The net increase in the fund balance for the police fund was \$42,673 or 28.84%.
- The street fund had revenues and other financing sources of \$955,379 and expenditures of \$821,164 during 2023. The net increase in the fund balance for the street fund was \$134,215 or 20.22%.
- The permanent improvement fund had revenues of \$851,378 and expenditures of \$648,893 during 2023. The net increase in the fund balance for the permanent improvement fund was \$202,485 or 9.99%.
- Business-type activities include operations of the City's water, sewer, and light enterprise funds. The net position of the business-type activities totaled \$30,665,965 at December 31, 2023. General revenues accounted for \$97,465 or 0.74% of total business-type activities revenue, while program specific revenues accounted for \$13,127,544 or 99.26% of total business-type activities revenue.

**Using this Annual Financial Report**

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Reporting the City of St. Clairsville as a Whole**

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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

Governmental Activities - Most of the City's services are reported here including police, administration, and all departments with the exception of the Water, Sewer, and Light Funds. Included with the governmental activities of the City is the Community Improvement Corporation, a legally separate entity, presented as a blended component unit in accordance with GASB Statement Numbers. 14, 39, and 61.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The City's Water, Sewer, and Light systems are reported here.

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

***Fund Financial Statements***

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

***Governmental Funds***

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

***Proprietary Funds***

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

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

***Required Supplementary Information***

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

**Government-Wide Financial Analysis**

The Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2023 compared to 2022:

**Table 1  
Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and						
Other Assets	\$ 10,569,526	\$9,856,596	\$ 15,932,782	\$14,628,300	\$ 26,502,308	\$24,484,896
Capital Assets, Net	8,069,595	8,327,982	23,295,914	18,994,730	31,365,509	27,322,712
Total Assets	18,639,121	18,184,578	39,228,696	33,623,030	57,867,817	51,807,608
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding	2,666	2,976	87,120	99,732	89,786	102,708
Pension	1,165,014	608,461	957,953	405,388	2,122,967	1,013,849
OPEB	192,202	142,060	134,726	20,902	326,928	162,962
Total Deferred Outflows of Resources	1,359,882	753,497	1,179,799	526,022	2,539,681	1,279,519
<b>Liabilities</b>						
Current Liabilities	179,428	577,964	1,223,085	617,258	1,402,513	1,195,222
Long-Term Liabilities						
Due within One Year	34,639	34,530	560,871	524,022	595,510	558,552
Due in More Than One Year:						
Net Pension Liability	3,104,687	1,582,201	2,212,278	654,274	5,316,965	2,236,475
Net OPEB Liability	171,079	219,404	43,979	-	215,058	219,404
Other Amounts	229,456	259,494	5,665,033	5,451,555	5,894,489	5,711,049
Total Liabilities	3,719,289	2,673,593	9,705,246	7,247,109	13,424,535	9,920,702
<b>Deferred Inflows of Resources</b>						
Property Taxes/Payment in lieu of taxes	1,036,313	1,100,631	-	-	1,036,313	1,100,631
Payment in Lieu of Taxes	100,000	100,000	-	-	100,000	100,000
Pension	89,572	822,699	21,466	794,308	111,038	1,617,007
OPEB	169,899	214,661	15,818	228,430	185,717	443,091
Total Deferred Inflows of Resources	1,395,784	2,237,991	37,284	1,022,738	1,433,068	3,260,729
<b>Net Position</b>						
Net Investment in Capital Assets	7,898,265	8,132,760	16,595,625	13,228,394	24,493,890	21,361,154
Restricted	3,975,576	3,579,827	1,073,865	636,211	5,049,441	4,216,038
Unrestricted	3,010,089	2,313,904	12,996,475	12,014,600	16,006,564	14,328,504
Total Net Position	\$14,883,930	\$14,026,491	\$30,665,965	\$25,879,205	\$45,549,895	\$39,905,696

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 ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,883,930.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 43.29% of total assets for governmental activities. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, infrastructure, vehicles, and construction in progress. The City's net investment in capital assets at December 31, 2023 was \$7,898,265 for governmental activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

A portion of the City's net position in the governmental activities, \$3,975,576, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$3,010,089.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2023 and 2022.

**Table 2  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$626,821	\$623,317	\$10,214,517	\$10,328,300	\$10,841,338	\$10,951,617
Operating Grants, Contributions, and Interest	541,087	518,998	-	-	541,087	518,998
Capital Grants	248,029	-	2,913,027	-	3,161,056	-
<b>Total Program Revenues</b>	<b>1,415,937</b>	<b>1,142,315</b>	<b>13,127,544</b>	<b>10,328,300</b>	<b>14,543,481</b>	<b>11,470,615</b>
General Revenues:						
Property Taxes	1,122,149	1,054,688	-	-	1,122,149	1,054,688
Income Taxes	1,655,668	1,479,092	-	-	1,655,668	1,479,092
Kilowatt per Hour Taxes	169,088	147,962	-	-	169,088	147,962
Permissive motor vehicle license tax	53,125	52,500	-	-	53,125	52,500
Payments in lieu of taxes	89,155	93,436	-	-	89,155	93,436
Grants and Entitlements	226,698	264,558	-	-	226,698	264,558
Investment Earnings	431,187	83,998	-	-	431,187	83,998
Other	102,572	77,649	97,465	169,750	200,037	247,399
<b>Total General Revenues</b>	<b>3,849,642</b>	<b>3,253,883</b>	<b>97,465</b>	<b>169,750</b>	<b>3,947,107</b>	<b>3,423,633</b>
<b>Total Revenues</b>	<b>5,265,579</b>	<b>4,396,198</b>	<b>13,225,009</b>	<b>10,498,050</b>	<b>18,490,588</b>	<b>14,894,248</b>
<b>Program Expenses</b>						
General Government						
Legislative and Executive	550,086	514,954	-	-	550,086	514,954
Security of Persons and Property - Police	1,443,659	1,361,870	-	-	1,443,659	1,361,870
Leisure Time Services	476,983	413,753	-	-	476,983	413,753
Community and Economic Development	104,971	102,104	-	-	104,971	102,104
Transportation	1,293,587	1,275,429	-	-	1,293,587	1,275,429
Interest and Fiscal Charges	642	2,946	-	-	642	2,946
Water	-	-	1,243,847	931,087	1,243,847	931,087
Sewer	-	-	1,463,940	1,004,588	1,463,940	1,004,588
Light	-	-	6,268,674	5,874,070	6,268,674	5,874,070
<b>Total Expenses</b>	<b>3,869,928</b>	<b>3,671,056</b>	<b>8,976,461</b>	<b>7,809,745</b>	<b>12,846,389</b>	<b>11,480,801</b>
Increase Before Transfers	1,395,651	725,142	4,248,548	2,688,305	5,644,199	3,413,447
Transfers	(538,212)	-	538,212	-	-	-
<b>Change in Net Position</b>	<b>857,439</b>	<b>725,142</b>	<b>4,786,760</b>	<b>2,688,305</b>	<b>5,644,199</b>	<b>3,413,447</b>
Net Position at Beginning of Year	14,026,491	13,301,349	25,879,205	23,190,900	39,905,696	36,492,249
<b>Net Position End of Year</b>	<b>\$14,883,930</b>	<b>\$14,026,491</b>	<b>\$30,665,965</b>	<b>\$25,879,205</b>	<b>\$45,549,895</b>	<b>\$39,905,696</b>

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Governmental Activities**

Governmental activities net position increased \$857,439 in 2023. The three primary general revenue sources of governmental activities are property taxes, income taxes, and interest income.

Expenses of the governmental activities increased \$198,872 or 5.42%. This increase is primarily the result of the increase in police expenditures and leisure time activity costs in 2023.

Operating grants, contributions increased by \$22,089 for governmental activities primarily due to more grant monies awarded to the City from the CARES Act as relief from the COVID-19 pandemic compared to prior years.

Security of persons and property - police accounted for 37.30% of the governmental expenses for the City. Transportation accounted for the second largest share of governmental expenses for the City, approximately 33.43%.

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

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government				
Legislative and Executive	\$ 550,086	\$ 514,954	\$ (109,352)	\$ 31,919
Security of Persons and Property				
Police	1,443,659	1,361,870	1,296,694	1,113,356
Leisure Time Services	476,983	413,753	232,302	326,732
Community and Economic Development	104,971	102,104	87,962	84,405
Transportation	1,293,587	1,275,429	945,743	969,383
Interest and Fiscal Charges	642	2,946	642	2,946
<b>Total Expenses</b>	<b>\$ 3,869,928</b>	<b>\$ 3,671,056</b>	<b>\$ 2,453,991</b>	<b>\$ 2,528,741</b>

The dependence upon general revenues for governmental activities is apparent, with 63.41% of expenses supported through taxes and other general revenues.

**Business-Type Activities**

Business-type activities include water, sewer and light operations. The major source of revenue for these funds is charges for services, accounting for \$10,214,517 or approximately 77.24% of total business-type revenues. General revenues accounted for \$97,465 or 0.74% of total business-type activities revenue.

**Analyzing the City of St. Clairsville's Funds**

The City has four major governmental funds, the General Fund, the Police fund, the Street fund and the Permanent Improvement Fund. These funds are accounted for using the modified accrual method of accounting. The General fund had revenues of \$2,497,833 and expenditures and other financing uses of \$1,786,979 during 2023. The net increase in fund balance for the general fund was \$710,854 or 22.31%. The increase is primarily due to property taxes, income taxes, kilowatt per hour taxes and intergovernmental revenues in continuing to exceed expenditures.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

The police fund had revenues and other financing sources of \$1,277,631 and expenditures of \$1,234,958 during 2023. The net increase in the fund balance for the police fund was \$42,673 or 28.84%.

The street fund had revenues and other financing sources of \$955,379 and expenditures of \$821,164 during 2023. The net increase in the fund balance for the street fund was \$134,215 or 20.22%.

The permanent improvement fund had revenues of \$851,378 and expenditures of \$648,893 during 2023. The net increase in the fund balance for the permanent improvement fund was \$202,485 or 9.99%.

The City has three major proprietary funds, the Water, Sewer, and Light funds. These funds are accounted for on an accrual basis. The Water Fund had operating revenues and capital contributions in the amount of \$5,333,958 and operating expenses in the amount of \$1,225,115. Overall, the Water Fund's net position increased \$4,090,111, primarily due to increases in revenues from rate increases and the result of the increase in capital contributions from the American Rescue Plan Fund. The Sewer Fund had operating revenues in the amount of \$1,758,625 and operating expenses in the amount of \$1,427,277. The Sewer Fund's net position increased \$294,685, primarily due to increases in revenues from rate increases. The Light Fund had operating revenues in the amount of \$6,670,638 and operating expenses in the amount of \$6,200,056. The Light Fund's net position increased \$401,964 primarily due to decreases in purchased power expenses and the increase in OPEB expense for the Ohio Public Employees Retirement System (OPERS).

**General Fund Budgeting Highlights**

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

Budgetary information is presented for the general fund and major special revenue funds. In the general fund, the original budgeted revenues were \$1,844,720. The final budgeted revenues were \$2,397,136. Actual revenues of \$2,458,918 were \$61,782 greater than final budgeted revenues. The original and final budgeted expenditures and other financing uses were \$2,304,177 and \$2,407,477, respectively. Actual expenditures and other financing uses of \$1,777,222 were \$630,255 less than final budgeted expenditures and other financing uses.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of year 2023, the City's governmental and business-type activities had \$31,365,509 in land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure, and vehicles, net of depreciation. Table 4 shows 2023 balances compared with 2022.

Table 4  
Capital Assets Net of Depreciation

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,445,478	\$1,360,478	\$ 305,596	\$305,596	\$ 1,751,074	\$1,666,074
Construction In Progress	84,769	41,102	4,001,106	-	4,085,875	41,102
Land Improvements	1,719,331	1,488,667	26,587	28,546	1,745,918	1,517,213
Buildings and Improvements	295,158	319,980	3,015,105	3,131,249	3,310,263	3,451,229
Machinery and Equipment	345,249	354,233	784,592	633,582	1,129,841	987,815
Infrastructure	3,810,599	4,396,221	14,610,795	14,369,441	18,421,394	18,765,662
Vehicles	369,011	367,301	552,133	526,316	921,144	893,617
<b>Total</b>	<b>\$8,069,595</b>	<b>\$8,327,982</b>	<b>\$23,295,914</b>	<b>\$18,994,730</b>	<b>\$31,365,509</b>	<b>\$27,322,712</b>

See Note 8 for more information on capital assets.



**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Debt**

The outstanding debt for the governmental and business-type activities of the City of St. Clairsville as of December 31, 2023, was \$6,316,632 with \$570,386 due within one year. Table 5 summarizes outstanding debt.

Table 5  
Outstanding Debt at Year End

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$48,912	\$54,346	\$2,774,166	\$3,142,590	\$2,823,078	\$3,196,936
OPWC Loans	125,097	143,981	239,061	266,814	364,158	410,795
OWDA Loans	-	-	3,129,396	2,463,773	3,129,396	2,463,773
<b>Total</b>	<b>\$174,009</b>	<b>\$198,327</b>	<b>\$6,142,623</b>	<b>\$5,873,177</b>	<b>\$6,316,632</b>	<b>\$6,071,504</b>

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

**Current Finance Related Issues**

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

**Contacting the City's Finance Department**

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 7,851,878	\$ 13,877,579	\$ 21,729,457
Cash and cash equivalents in segregated accounts	23,875	-	23,875
Receivables:			
Property taxes	1,045,661	-	1,045,661
Income taxes	512,932	-	512,932
Payment in lieu of taxes	100,000	-	100,000
Accounts	84,543	949,353	1,033,896
Intergovernmental	303,048	500,437	803,485
Loans receivable	552,384	-	552,384
Materials and supplies inventory	35,276	562,294	597,570
Prepayments	26,845	36,967	63,812
Assets held for resale	32,955	-	32,955
Unamortized bond insurance premium	129	6,152	6,281
Capital assets:			
Land and construction in progress	1,530,247	4,306,702	5,836,949
Depreciable capital assets, net	6,539,348	18,989,212	25,528,560
Total capital assets, net	<u>8,069,595</u>	<u>23,295,914</u>	<u>31,365,509</u>
Total assets	<u>18,639,121</u>	<u>39,228,696</u>	<u>57,867,817</u>
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding	2,666	87,120	89,786
Pension	1,165,014	957,953	2,122,967
OPEB	192,202	134,726	326,928
Total deferred outflows of resources	<u>1,359,882</u>	<u>1,179,799</u>	<u>2,539,681</u>
<b>Liabilities:</b>			
Accounts payable	56,566	403,728	460,294
Contracts payable	-	426,845	426,845
Retainage payable	-	217,941	217,941
Accrued wages and benefits payable	80,913	74,324	155,237
Intergovernmental payable	38,260	32,208	70,468
Accrued interest payable	233	30,490	30,723
Payroll withholdings payable	3,456	-	3,456
Refundable deposits	-	37,549	37,549
Long-term liabilities:			
Due within one year	34,639	560,871	595,510
Due greater than one year:			
Net pension liability	3,104,687	2,212,278	5,316,965
Net OPEB liability	171,079	43,979	215,058
Other amounts due in more than one year	229,456	5,665,033	5,894,489
Total liabilities	<u>3,719,289</u>	<u>9,705,246</u>	<u>13,424,535</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next year	1,036,313	-	1,036,313
Payment in lieu of taxes	100,000	-	100,000
Pension	89,572	21,466	111,038
OPEB	169,899	15,818	185,717
Total deferred inflows of resources	<u>1,395,784</u>	<u>37,284</u>	<u>1,433,068</u>
<b>Net position:</b>			
Net investment in capital assets	7,898,265	16,595,625	24,493,890
Restricted for:			
Debt service	-	573,610	573,610
Capital projects	2,369,677	500,255	2,869,932
Transportation projects	518,490	-	518,490
Community development programs	909,338	-	909,338
Court and safety programs	37,226	-	37,226
Recreation	94,972	-	94,972
Other purposes	45,873	-	45,873
Unrestricted	3,010,089	12,996,475	16,006,564
Total net position	<u>\$ 14,883,930</u>	<u>\$ 30,665,965</u>	<u>\$ 45,549,895</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Sales and Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government - legislative and executive	\$ 550,086	\$ 411,409	\$ -	\$ 248,029
Security of persons and property - police	1,443,659	94,008	52,957	-
Leisure time activity	476,983	104,395	140,286	-
Community and economic development	104,971	17,009	-	-
Transportation	1,293,587	-	347,844	-
Interest and fiscal charges	642	-	-	-
Total governmental activities	<u>3,869,928</u>	<u>626,821</u>	<u>541,087</u>	<u>248,029</u>
<b>Business-type activities:</b>				
Water	1,243,847	1,868,627	-	2,913,027
Sewer	1,463,940	1,728,558	-	-
Light	6,268,674	6,617,332	-	-
Total business-type activities	<u>8,976,461</u>	<u>10,214,517</u>	<u>-</u>	<u>2,913,027</u>
Total primary government	<u>\$ 12,846,389</u>	<u>\$ 10,841,338</u>	<u>\$ 541,087</u>	<u>\$ 3,161,056</u>

**General revenues:**

Property taxes levied for:  
    General purposes  
    Police operations  
Income taxes levied for:  
    General purposes  
    Capital purposes  
Kilowatt per hour tax levied for  
    general purposes  
Permissive motor vehicle license tax  
Payments in lieu of taxes  
Grants and entitlements not restricted  
    to specific programs  
Interest income  
Miscellaneous

Total general revenues

Transfers

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**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 109,352	\$ -	\$ 109,352
(1,296,694)	-	(1,296,694)
(232,302)	-	(232,302)
(87,962)	-	(87,962)
(945,743)	-	(945,743)
(642)	-	(642)
<u>(2,453,991)</u>	<u>-</u>	<u>(2,453,991)</u>
-	3,537,807	3,537,807
-	264,618	264,618
-	348,658	348,658
<u>-</u>	<u>4,151,083</u>	<u>4,151,083</u>
<u>(2,453,991)</u>	<u>4,151,083</u>	<u>1,697,092</u>
553,660	-	553,660
568,489	-	568,489
827,834	-	827,834
827,834	-	827,834
169,088	-	169,088
53,125	-	53,125
89,155	-	89,155
226,698	-	226,698
431,187	-	431,187
102,572	97,465	200,037
<u>3,849,642</u>	<u>97,465</u>	<u>3,947,107</u>
<u>(538,212)</u>	<u>538,212</u>	<u>-</u>
857,439	4,786,760	5,644,199
<u>14,026,491</u>	<u>25,879,205</u>	<u>39,905,696</u>
<u>\$ 14,883,930</u>	<u>\$ 30,665,965</u>	<u>\$ 45,549,895</u>

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

	<u>General</u>	<u>Police</u>	<u>Street</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Equity in pooled cash and cash equivalents	\$ 3,611,568	\$ 220,157	\$ 751,458	\$ 2,128,516	\$ 1,126,189	\$ 7,837,888
Cash and cash equivalents in segregated accounts	-	23,875	-	-	-	23,875
Property taxes	520,486	525,175	-	-	-	1,045,661
Income taxes	256,466	-	-	256,466	-	512,932
Payment in lieu of taxes	-	-	-	-	100,000	100,000
Accounts	49,944	11,256	-	-	23,343	84,543
Intergovernmental	106,780	33,921	162,347	-	-	303,048
Interfund loans	4	-	-	-	-	4
Loans to other funds	68,561	-	-	-	-	68,561
Loans receivable	-	-	-	-	552,384	552,384
Materials and supplies inventory	13,976	10,397	10,903	-	-	35,276
Prepayments	14,339	6,256	6,250	-	-	26,845
Assets held for resale	-	-	-	-	32,955	32,955
Restricted assets:						
Equity in pooled cash and cash equivalents	13,990	-	-	-	-	13,990
Total assets	<u>\$ 4,656,114</u>	<u>\$ 831,037</u>	<u>\$ 930,958</u>	<u>\$ 2,384,982</u>	<u>\$ 1,834,871</u>	<u>\$ 10,637,962</u>
<b>Liabilities:</b>						
Accounts payable	\$ 5,543	\$ 686	\$ 1,236	\$ 15,305	\$ 33,796	\$ 56,566
Accrued wages and benefits payable	3,559	57,205	14,274	-	5,875	80,913
Intergovernmental payable	5,949	23,430	6,881	-	2,000	38,260
Interfund loans payable	-	-	-	-	4	4
Loans from other funds	-	-	-	-	68,561	68,561
Payroll withholdings payable	3,456	-	-	-	-	3,456
Total liabilities	<u>18,507</u>	<u>81,321</u>	<u>22,391</u>	<u>15,305</u>	<u>110,236</u>	<u>247,760</u>
<b>Deferred inflows of resources:</b>						
Property taxes levied for the next year	515,818	520,495	-	-	-	1,036,313
Payment in lieu of taxes	-	-	-	-	100,000	100,000
Unavailable revenue	224,289	38,601	110,663	139,853	-	513,406
Total deferred inflows of resources	<u>740,107</u>	<u>559,096</u>	<u>110,663</u>	<u>139,853</u>	<u>100,000</u>	<u>1,649,719</u>
<b>Fund balances:</b>						
Nonspendable	110,866	16,653	17,153	-	-	144,672
Restricted	-	173,967	780,751	2,229,824	1,194,842	4,379,384
Committed	-	-	-	-	465,399	465,399
Assigned	862	-	-	-	-	862
Unassigned (deficit)	3,785,772	-	-	-	(35,606)	3,750,166
Total fund balances	<u>3,897,500</u>	<u>190,620</u>	<u>797,904</u>	<u>2,229,824</u>	<u>1,624,635</u>	<u>8,740,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,656,114</u>	<u>\$ 831,037</u>	<u>\$ 930,958</u>	<u>\$ 2,384,982</u>	<u>\$ 1,834,871</u>	<u>\$ 10,637,962</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023

<b>Total governmental fund balances</b>		\$ 8,740,483
<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.		8,069,595
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 279,706	
Real and other taxes receivable	9,348	
Intergovernmental receivable	224,352	
Total	513,406	513,406
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(233)
Unamortized bond insurance premiums are not recognized in the governmental funds.		129
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		2,666
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(90,086)	
General obligation bonds payable	(45,000)	
Premium on general obligation bonds payable	(3,912)	
OPWC loans payable	(125,097)	
Total	(264,095)	(264,095)
The net pension and net OPEB liabilities are not due and payable in the current period; therefore the liabilities and related deferred inflows and outflows are not reported in the governmental funds.		
Deferred outflows-pension	1,165,014	
Deferred outflows-OPEB	192,202	
Net pension liability	(3,104,687)	
Net OPEB liability	(171,079)	
Deferred inflows - pension	(89,572)	
Deferred inflows - OPEB	(169,899)	
Total	(2,178,021)	(2,178,021)
<b>Net position of governmental activities</b>		<b>\$ 14,883,930</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General</u>	<u>Police</u>	<u>Street</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Property taxes	\$ 555,851	\$ 570,885	\$ -	\$ -	\$ -	\$ 1,126,736
Income taxes	834,684	-	-	834,684	-	1,669,368
Kilowatt per hour taxes	169,088	-	-	-	-	169,088
Permissive motor vehicle license taxes	-	-	53,125	-	-	53,125
Payment in lieu of taxes	-	-	-	-	89,155	89,155
Charges for services	-	76,669	-	-	92,798	169,467
Licenses and permits	131,374	-	-	-	-	131,374
Fines and forfeitures	28,523	-	-	-	17,339	45,862
Intergovernmental	195,588	39,358	340,675	-	292,281	867,902
Interest income	431,135	-	52	-	-	431,187
Rent and royalties	134,260	-	-	-	145,858	280,118
Contributions and donations	-	3,268	-	-	140,286	143,554
Other	17,330	37,451	11,527	16,694	19,570	102,572
Total revenues	<u>2,497,833</u>	<u>727,631</u>	<u>405,379</u>	<u>851,378</u>	<u>797,287</u>	<u>5,279,508</u>
<b>Expenditures:</b>						
Current:						
General government - legislative and executive	463,965	-	-	38,446	-	502,411
Security of persons and property - police	-	1,234,958	-	-	795	1,235,753
Leisure time activity	-	-	-	-	312,069	312,069
Community and economic development	14,948	-	-	-	89,155	104,103
Transportation	-	-	672,868	-	-	672,868
Capital outlay	23,066	-	129,412	610,447	363,528	1,126,453
Debt service:						
Principal retirement	-	-	18,884	-	5,000	23,884
Interest and fiscal charges	-	-	-	-	800	800
Total expenditures	<u>501,979</u>	<u>1,234,958</u>	<u>821,164</u>	<u>648,893</u>	<u>771,347</u>	<u>3,978,341</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,995,854</u>	<u>(507,327)</u>	<u>(415,785)</u>	<u>202,485</u>	<u>25,940</u>	<u>1,301,167</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	550,000	550,000	-	185,000	1,285,000
Transfers (out)	(1,285,000)	-	-	-	-	(1,285,000)
Total other financing sources (uses)	<u>(1,285,000)</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>185,000</u>	<u>-</u>
Net change in fund balances	710,854	42,673	134,215	202,485	210,940	1,301,167
<b>Fund balances at beginning of year</b>	<u>3,186,646</u>	<u>147,947</u>	<u>663,689</u>	<u>2,027,339</u>	<u>1,413,695</u>	<u>7,439,316</u>
<b>Fund balances at end of year</b>	<u>\$ 3,897,500</u>	<u>\$ 190,620</u>	<u>\$ 797,904</u>	<u>\$ 2,229,824</u>	<u>\$ 1,624,635</u>	<u>\$ 8,740,483</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

<b>Net change in fund balances - total governmental funds</b>		\$	1,301,167
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.			
Capital asset additions	\$	628,038	
Current year depreciation		<u>(875,271)</u>	
Total			(247,233)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.			
			(11,154)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Income taxes		(13,700)	
Real and other taxes		(4,587)	
Intergovernmental revenues		<u>4,358</u>	
Total			(13,929)
Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.			
			23,884
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			
Decrease in accrued interest payable		34	
Amortization of deferred amounts on refunding		(310)	
Amortization of bond premiums and discounts		<u>434</u>	
Total			158
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.			
			5,611
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		215,300	
OPEB		<u>3,285</u>	
Total			218,585
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.			
Pension		(448,153)	
OPEB		<u>28,503</u>	
Total			<u>(419,650)</u>
<b>Change in net position of governmental activities</b>		<b>\$</b>	<b><u>857,439</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 541,900	\$ 541,900	\$ 555,851	\$ 13,951
Income taxes	742,000	811,286	812,468	1,182
Kilowatt per hour taxes	150,000	150,000	169,088	19,088
Licenses and permits	105,000	132,050	132,047	(3)
Fines and forfeitures	20,720	24,666	28,523	3,857
Intergovernmental	217,100	218,417	198,073	(20,344)
Interest income	25,000	387,989	431,135	43,146
Rent and royalties	28,000	115,828	115,284	(544)
Other	15,000	15,000	16,449	1,449
Total revenues	1,844,720	2,397,136	2,458,918	61,782
<b>Expenditures:</b>				
Current:				
General government	934,112	1,037,472	477,301	560,171
Community and economic development	20,065	20,005	14,921	5,084
Total expenditures	954,177	1,057,477	492,222	565,255
Excess of revenues over expenditures	890,543	1,339,659	1,966,696	627,037
<b>Other financing (uses):</b>				
Transfers (out)	(1,350,000)	(1,350,000)	(1,285,000)	65,000
Total other financing (uses)	(1,350,000)	(1,350,000)	(1,285,000)	65,000
Net change in fund balances	(459,457)	(10,341)	681,696	692,037
<b>Fund balances at beginning of year</b>	2,941,637	2,941,637	2,941,637	-
<b>Prior year encumbrances appropriated</b>	267	267	267	-
<b>Fund balance at end of year</b>	\$ 2,482,447	\$ 2,931,563	\$ 3,623,600	\$ 692,037

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 530,000	\$ 565,733	\$ 570,885	\$ 5,152
Charges for services	63,000	63,000	81,723	18,723
Intergovernmental	67,845	67,845	39,358	(28,487)
Contributions and donations	1,000	3,268	3,268	-
Other	15,000	47,000	50,474	3,474
<b>Total revenues</b>	<u>676,845</u>	<u>746,846</u>	<u>745,708</u>	<u>(1,138)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property - police	1,280,935	1,338,935	1,232,518	106,417
<b>Total expenditures</b>	<u>1,280,935</u>	<u>1,338,935</u>	<u>1,232,518</u>	<u>106,417</u>
Excess of expenditures over revenues	<u>(604,090)</u>	<u>(592,089)</u>	<u>(486,810)</u>	<u>105,279</u>
<b>Other financing sources:</b>				
Transfers in	550,000	550,000	550,000	-
<b>Total other financing sources</b>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net change in fund balances	(54,090)	(42,089)	63,190	105,279
<b>Fund balances at beginning of year</b>	143,046	143,046	143,046	-
<b>Prior year encumbrances appropriated</b>	7,235	7,235	7,235	-
<b>Fund balance at end of year</b>	<u>\$ 96,191</u>	<u>\$ 108,192</u>	<u>\$ 213,471</u>	<u>\$ 105,279</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STREET FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Permissive motor vehicle license tax	\$ 93,000	\$ 93,000	\$ 144,410	\$ 51,410
Intergovernmental	271,000	271,000	244,901	(26,099)
Investment income	-	-	52	52
Other	1,000	1,000	11,527	10,527
Total revenues	<u>365,000</u>	<u>365,000</u>	<u>400,890</u>	<u>35,890</u>
<b>Expenditures:</b>				
Current:				
Transportation	1,393,824	1,500,824	828,142	672,682
Debt service:				
Principal retirement	18,885	18,885	18,884	1
Total expenditures	<u>1,412,709</u>	<u>1,519,709</u>	<u>847,026</u>	<u>672,683</u>
Excess of expenditures over revenues	<u>(1,047,709)</u>	<u>(1,154,709)</u>	<u>(446,136)</u>	<u>708,573</u>
<b>Other financing sources:</b>				
Transfers in	550,000	550,000	550,000	-
Total other financing sources	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net change in fund balances	(497,709)	(604,709)	103,864	708,573
<b>Fund balances at beginning of year</b>	634,699	634,699	634,699	-
<b>Prior year encumbrances appropriated</b>	624	624	624	-
<b>Fund balance at end of year</b>	<u>\$ 137,614</u>	<u>\$ 30,614</u>	<u>\$ 739,187</u>	<u>\$ 708,573</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Light</b>	<b>Total</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 3,277,112	\$ 3,098,187	\$ 7,464,729	\$ 13,840,028
Accounts receivable	171,697	159,024	618,632	949,353
Due from other governments	500,255	182	-	500,437
Materials and supplies inventory	-	2,113	560,181	562,294
Prepayments	11,047	10,811	15,109	36,967
Total current assets	<u>3,960,111</u>	<u>3,270,317</u>	<u>8,658,651</u>	<u>15,889,079</u>
Noncurrent assets:				
Unamortized bond insurance premium	307	182	5,663	6,152
Capital assets:				
Nondepreciable capital assets	4,001,106	-	305,596	4,306,702
Depreciable capital assets, net	7,090,468	7,499,469	4,399,275	18,989,212
Total capital assets, net	<u>11,091,574</u>	<u>7,499,469</u>	<u>4,704,871</u>	<u>23,295,914</u>
Restricted assets:				
Equity in pooled cash and cash equivalents	20,184	15,446	1,921	37,551
Total noncurrent assets	<u>11,112,065</u>	<u>7,515,097</u>	<u>4,712,455</u>	<u>23,339,617</u>
Total assets	<u>15,072,176</u>	<u>10,785,414</u>	<u>13,371,106</u>	<u>39,228,696</u>
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding	6,284	4,429	76,407	87,120
Pension	306,883	288,886	362,184	957,953
OPEB	43,994	41,562	49,170	134,726
Total deferred outflows of resources	<u>357,161</u>	<u>334,877</u>	<u>487,761</u>	<u>1,179,799</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	22,934	14,026	366,768	403,728
Contracts payable	426,845	-	-	426,845
Retainage payable	217,941	-	-	217,941
Accrued wages and benefits payable	19,318	21,927	33,079	74,324
Intergovernmental payable	9,347	16,715	13,109	39,171
Accrued interest payable	7,902	16,759	5,829	30,490
Compensated absences payable - current	1,451	1,031	4,924	7,406
General obligation bonds payable	10,000	10,000	335,000	355,000
OPWC loans payable	3,080	18,686	-	21,766
OWDA loans payable	75,708	94,028	-	169,736
Total current liabilities	<u>794,526</u>	<u>193,172</u>	<u>758,709</u>	<u>1,746,407</u>
Long-term liabilities (net of current portion):				
Refundable deposits payable from restricted assets	20,182	15,446	1,921	37,549
Compensated absences payable	10,702	7,603	36,314	54,619
General obligation bonds payable	119,565	71,397	2,228,204	2,419,166
OPWC loans payable	206,389	10,906	-	217,295
OWDA loans payable	1,831,318	1,128,342	-	2,959,660
Intergovernmental payable	-	14,293	-	14,293
Net pension liability	735,452	654,387	822,439	2,212,278
Net OPEB liability	14,620	13,009	16,350	43,979
Total long-term liabilities	<u>2,938,228</u>	<u>1,915,383</u>	<u>3,105,228</u>	<u>7,958,839</u>
Total liabilities	<u>3,732,754</u>	<u>2,108,555</u>	<u>3,863,937</u>	<u>9,705,246</u>

- (Continued)

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - (CONTINUED)  
DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Light</b>	<b>Total</b>
<b>Deferred inflows of resources:</b>				
Pension	\$ 7,114	\$ 14,352	\$ -	\$ 21,466
OPEB	5,295	4,757	5,766	15,818
Total deferred inflows of resources	12,409	19,109	5,766	37,284
 Total liabilities and deferred inflows of resources	 12,409	 19,109	 5,766	 37,284
<b>Net position:</b>				
Net investment in capital assets	8,207,012	6,170,539	2,218,074	16,595,625
Restricted for debt service	74,848	142,844	355,918	573,610
Restricted for capital projects	500,255	-	-	500,255
Unrestricted	2,902,059	2,679,244	7,415,172	12,996,475
Total net position	\$ 11,684,174	\$ 8,992,627	\$ 9,989,164	\$ 30,665,965

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Light</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 1,868,627	\$ 1,728,558	\$ 6,617,332	\$ 10,214,517
Other	14,092	30,067	53,306	97,465
Total operating revenues	<u>1,882,719</u>	<u>1,758,625</u>	<u>6,670,638</u>	<u>10,311,982</u>
<b>Operating expenses:</b>				
Personal services	655,874	610,106	765,173	2,031,153
Contractual services	128,829	77,719	155,618	362,166
Purchased power	-	-	4,523,980	4,523,980
Materials and supplies	193,084	388,669	479,957	1,061,710
Depreciation	246,728	350,783	275,328	872,839
Other	600	-	-	600
Total operating expenses	<u>1,225,115</u>	<u>1,427,277</u>	<u>6,200,056</u>	<u>8,852,448</u>
Operating income	<u>657,604</u>	<u>331,348</u>	<u>470,582</u>	<u>1,459,534</u>
<b>Nonoperating (expenses):</b>				
Interest and fiscal charges	<u>(18,732)</u>	<u>(36,663)</u>	<u>(68,618)</u>	<u>(124,013)</u>
Income before contributions	638,872	294,685	401,964	1,335,521
Capital contributions	<u>3,451,239</u>	<u>-</u>	<u>-</u>	<u>3,451,239</u>
Change in net position	4,090,111	294,685	401,964	4,786,760
<b>Net position at beginning of year</b>	<u>7,594,063</u>	<u>8,697,942</u>	<u>9,587,200</u>	<u>25,879,205</u>
<b>Net position at end of year</b>	<u>\$ 11,684,174</u>	<u>\$ 8,992,627</u>	<u>\$ 9,989,164</u>	<u>\$ 30,665,965</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Light</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 1,858,469	\$ 1,730,829	\$ 6,651,987	\$ 10,241,285
Cash received from other operations	14,092	30,067	53,306	97,465
Cash payments for employee services and benefits	(612,879)	(540,931)	(724,621)	(1,878,431)
Cash payments for contractual services	(120,794)	(82,639)	(156,473)	(359,906)
Cash payments for purchased power	-	-	(4,543,458)	(4,543,458)
Cash payments for materials and supplies	(180,391)	(386,305)	(457,715)	(1,024,411)
Cash payments for other expenses	(600)	-	-	(600)
Net cash provided by operating activities	<u>957,897</u>	<u>751,021</u>	<u>823,026</u>	<u>2,531,944</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(3,765,055)	(174,473)	(110,312)	(4,049,840)
Capital grants	2,412,772	-	-	2,412,772
Proceeds of OWDA loan	834,072	-	-	834,072
Principal retirement on general obligation bonds	(20,000)	(10,000)	(305,000)	(335,000)
Principal retirement on OPWC loans	(3,019)	(24,734)	-	(27,753)
Principal retirement on OWDA loans	(74,421)	(94,028)	-	(168,449)
Interest and fiscal charges	(19,521)	(38,207)	(88,693)	(146,421)
Net cash used in capital and related financing activities	<u>(635,172)</u>	<u>(341,442)</u>	<u>(504,005)</u>	<u>(1,480,619)</u>
Net change in cash and cash equivalents	322,725	409,579	319,021	1,051,325
<b>Cash and cash equivalents at beginning of year</b>	2,974,571	2,704,054	7,147,629	12,826,254
<b>Cash and cash equivalents at end of year</b>	<u>\$ 3,297,296</u>	<u>\$ 3,113,633</u>	<u>\$ 7,466,650</u>	<u>\$ 13,877,579</u>

- (Continued)

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Light</b>	<b>Total</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 657,604	\$ 331,348	\$ 470,582	\$ 1,459,534
Adjustments:				
Depreciation	246,728	350,783	275,328	872,839
Changes in assets, deferred inflows of resources, liabilities and deferred outflows of resources:				
Change in materials and supplies inventory.	162	(1,951)	22,242	20,453
Change in accounts receivable	(10,158)	2,453	34,655	26,950
Change in intergovernmental receivable	-	(182)	-	(182)
Change in prepayments	(5,842)	(5,756)	(9,419)	(21,017)
Change in net pension asset	31	29	32	92
Change in net OPEB asset	74,856	68,827	76,163	219,846
Change in deferred outflows of resources - pension	(183,488)	(128,786)	(240,291)	(552,565)
Change in deferred outflows of resources - OPEB	(36,540)	(32,786)	(44,498)	(113,824)
Change in accounts payable	21,788	5,634	(17,204)	10,218
Change in accrued wages and benefits	(3,312)	3,110	2,107	1,905
Change in intergovernmental payable	4,693	2,142	3,450	10,285
Change in compensated absences payable	(1,111)	(3,281)	(14,727)	(19,119)
Change in net pension liability	512,676	449,555	595,773	1,558,004
Change in net OPEB liability	14,620	13,009	16,350	43,979
Change in deferred inflows of resources - pension	(262,764)	(235,487)	(274,591)	(772,842)
Change in deferred inflows of resources - OPEB	(72,046)	(67,640)	(72,926)	(212,612)
Net cash provided by operating activities	<u>\$ 957,897</u>	<u>\$ 751,021</u>	<u>\$ 823,026</u>	<u>\$ 2,531,944</u>

**Non-Cash Transactions:**

The Water fund purchased \$644,786 of capital assets on account at December 31, 2023.

The Water fund purchased \$58,311 of capital assets on account at December 31, 2022.

The Water fund received \$538,212 in capital contributions from governmental funds.

The Light fund purchased \$504 of capital assets on account at December 31, 2022.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2023

	<u><b>Custodial</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 2,340
Receivables:	
Accounts	400
Total assets	<u>2,740</u>
<b>Liabilities:</b>	
Intergovernmental payable	<u>368</u>
<b>Net position:</b>	
Restricted for other governments	<u>\$ 2,372</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Custodial</u>
<b>Additions:</b>	
Fines and forfeitures for other governments	\$ 16,741
<b>Deductions:</b>	
Fines and forfeitures distributions to other governments	<u>16,337</u>
Change in net position	404
<b>Net position at beginning of year</b>	<u>1,968</u>
<b>Net position at end of year</b>	<u><u>\$ 2,372</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 1 - DESCRIPTION OF THE CITY**

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

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

***JOINTLY GOVERNED ORGANIZATIONS***

***Ohio Mid-Eastern Governments Association (OMEGA)***: OMEGA is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas Counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application of Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a twenty-one member executive board comprised of members appointed from each participating county and the cities within each county. City membership is voluntary. The mayor of the City of St. Clairsville serves as the City’s representative on the Board. The Board exercises total control over the operations of the OMEGA including budgeting, appropriating, contracting and designating management. Each participant’s degree of control is limited to its representation on the Board. Each member currently pays a per capita membership fee based upon the most recent United States census. During 2023, the City made \$764 in contributions to OMEGA. Information can be obtained from 326 Highland Avenue, PO Box 130, Cambridge, Ohio 43725.

***Bel-O-Mar Regional Council***: Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County and three counties in West Virginia. The governing board is comprised of 46 officials from the four county service area of which five are appointed by Belmont County. The Board exercises total control over the operations of the council including budgeting, appropriating, contracting and designating management. Each participant’s degree of control is limited to its representation on the Council. The City made \$1,682 in contributions to Bel-O-Mar during 2023.

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

*Belmont County Major Crime Unit (BCMCMU)*: The BCMCMU was created by a resolution and an agreement between the Belmont County Sheriff's Office, the police departments of the City of St. Clairsville, the City of Martin's Ferry, and all the villages located in Belmont County under the authority of Ohio Revised Code Sections 311.07, 505.43, and 737.04. The Belmont County Sheriff serves as the director of the BCMCMU. The BCMCMU is governed by an Advisory Board consisting of the Belmont County Sheriff, the Belmont County Prosecutor, and the chief of police of each participating political subdivision. Each participant's degree of control is limited to its representation on the Board. All participating agencies agree that any mandatory fines collected shall be placed in an indemnity fund, administered by the Belmont County Sheriff's Office. The indemnity fund shall be used to subsidize the cost of BCMCMU investigations. The City made no contributions to BCMCMU during 2023.

*Regional Income Tax Agency (RITA)*: RITA is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operating including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the City paid RITA \$68,693 for income tax collection services.

**B. Basis of Presentation - Fund Accounting**

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

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

**C. Fund Accounting**

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

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

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

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

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

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

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

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

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

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

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



**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

**E. Basis of Accounting**

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

***Deferred Outflows of Resources and Deferred Inflows of Resources*** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Notes 13 and 14 for deferred outflows of resources related to net pension liability and net OPEB liability, 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, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability 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 ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**F. Budgetary Data**

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

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

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**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**G. Cash and Cash Equivalents**

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

During 2023, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2023, interest revenue credited to the general fund amounted to \$431,135, which includes \$363,372 assigned from other City funds.

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

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

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

**H. Inventories of Materials and Supplies**

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

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

Inventory consists of expendable supplies held for consumption.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$10,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

**J. Compensated Absences**

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

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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. At December 31, 2023, the City had no matured compensated absences payable. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**K. Prepaid Items**

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

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

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

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

**M. Fund Balance**

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

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

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

**N. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2023.

**O. Estimates**

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

**P. Interfund Activity**

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

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

**Q. Net Position**

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the water, sewer and light enterprise funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these descriptions are reported as nonoperating revenues and expenses.

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

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

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

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

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

**T. Interfund Balances**

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

**U. Restricted Assets**

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

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

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

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



**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**W. Contributions of Capital**

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

**X. Assets Held for Resale**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2023, the City has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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**

The fund balance of the Community Improvement Corporation nonmajor special revenue fund was deficit \$35,606 at December 31, 2023. The general fund is liable for the deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**C. Competitive Bidding**

Contrary of Ohio Revised Code Section 735.05, the City did not properly advertise or bid one contract over \$50,000.

**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;
2. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
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,

**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Excepted as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash in Segregated Accounts**

At year end, the City had \$23,875 deposited with a financial institution for monies related to the police department. The entire balance is covered by the FDIC. The amount is included in the City's depository balance below.

**B. Deposits with Financial Institutions**

At December 31, 2023, the carrying amount of all City deposits was \$20,740,958 and the bank balance of all City deposits was \$20,879,739. Of the bank balance, \$250,000 was covered by the FDIC and \$20,629,739 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the City's financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**C. Investments**

The City had had the following investments and maturities;

<u>Measurement/Investment type</u>	Investment Maturity	
	Measurement Amount	6 months or less
<i>Amortized Cost:</i>		
Star Ohio	\$ 1,014,714	\$ 1,014,714

**D. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position**

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of December 31, 2023:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 20,717,083
Cash in segregated accounts	23,875
Investments	1,014,714
Total	\$ 21,755,672
 <u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 7,875,753
Business type activities	13,877,579
Custodial funds	2,340
Total	\$ 21,755,672

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported on the fund financial statements:

Transfers from the General fund to:	
Police	\$ 550,000
Street	550,000
Nonmajor governmental	185,000
Total	\$ 1,285,000

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

- B.** Interfund loans receivable/payable at December 31, 2023 consisted of the following individual short-term interfund receivable and payables:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ 4

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

- C.** Loans to/from other funds at December 31, 2023 consisted of the following individual long-term interfund receivable and payables:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ 68,561

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

**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued 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. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of St. Clairsville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The full tax rate for all City operations for the year ended December 31, 2023 was \$12.10 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 114,259,280
Commercial/industrial	25,575,950
<u>Public utility</u>	
Personal	<u>1,692,990</u>
Total assessed value	<u><u>\$ 141,528,220</u></u>

**B. Income Taxes**

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

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

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

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

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2023 consisted of taxes, accounts (billings for user charged services including unbilled utility services), accrued interest, loans and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Except as noted below, all other receivables are expected to be collected within one year.

Delinquent property taxes deemed collectible by the County Auditor are recorded as a receivable in the amount of \$9,348 may not be collected within one year.

The other governmental funds reflect loans receivable of \$552,384. These loans receivable are for financing the rehabilitation of downtown local businesses for community and economic development. Of the total loans receivable, \$7,000 is scheduled to be collected within one year.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 7 – RECEIVABLES - (Continued)**

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

**Governmental activities:**

Local government revenue	\$ 82,184
Homestead/rollback reimbursement	58,517
Motor vehicle license and gasoline tax	<u>162,347</u>
Total governmental activities	<u>\$ 303,048</u>

**Business type activities:**

Ohio BUILDS water infrastructure grant	<u>\$ 500,437</u>
Total business type activities	<u>\$ 500,437</u>

*Revenue in Lieu of Taxes Receivable*

In accordance with State law, the City established a tax increment financing ordinance for parcels known as the St. Clair Commons, for which the City has granted property tax exemptions to construct certain infrastructure improvements. On April 13, 2017, the Columbus-Franklin Finance Authority (Authority) issued \$2,335,000 in Series 2017 A revenue bonds, as part of the St. Clair Commons Public Infrastructure Project to finance the improvements, with interest payments beginning in 2017 (paid with the bonds' premium reserve), and the first principal payment beginning in 2019. The property owners have agreed to make payments to the City to reimburse annual debt service on the bonds, and to offset the affected school districts. The amount of those payments generally reflects all of the property taxes which the property owners would have paid if the improvements on the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes will continue for the length of the agreement, which is not to exceed 30 years. For 2023, the estimated receivable for revenue in lieu of taxes in the amount of \$100,000 remains deferred.

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**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 8 - CAPITAL ASSETS**

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

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/23</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,360,478	\$ 85,000	\$ -	\$ 1,445,478
Construction in progress	<u>41,102</u>	<u>43,667</u>	<u>-</u>	<u>84,769</u>
Total capital assets, not being depreciated	<u>1,401,580</u>	<u>128,667</u>	<u>-</u>	<u>1,530,247</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,669,226	358,000	-	5,027,226
Buildings and improvements	1,451,929	7,450	-	1,459,379
Machinery and equipment	800,273	50,701	-	850,974
Infrastructure	18,788,981	-	-	18,788,981
Vehicles	<u>1,092,974</u>	<u>83,220</u>	<u>(61,180)</u>	<u>1,115,014</u>
Total capital assets, being depreciated	<u>26,803,383</u>	<u>499,371</u>	<u>(61,180)</u>	<u>27,241,574</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(3,180,559)	(127,336)	-	(3,307,895)
Buildings and improvements	(1,131,949)	(32,272)	-	(1,164,221)
Machinery and equipment	(446,040)	(59,685)	-	(505,725)
Infrastructure	(14,392,760)	(585,622)	-	(14,978,382)
Vehicles	<u>(725,673)</u>	<u>(70,356)</u>	<u>50,026</u>	<u>(746,003)</u>
Total accumulated depreciation	<u>(19,876,981)</u>	<u>(875,271)</u>	<u>50,026</u>	<u>(20,702,226)</u>
Total capital assets, being depreciated, net	<u>6,926,402</u>	<u>(375,900)</u>	<u>(11,154)</u>	<u>6,539,348</u>
Governmental activities capital assets, net	<u>\$ 8,327,982</u>	<u>\$ (247,233)</u>	<u>\$ (11,154)</u>	<u>\$ 8,069,595</u>



**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 8 - CAPITAL ASSETS - (Continued)**

<b><u>Business-type activities:</u></b>	<u>Balance</u> 12/31/22	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/23
<i>Capital assets, not being depreciated:</i>				
Land	\$ 305,596	\$ -	\$ -	\$ 305,596
Construction in progress	<u>-</u>	<u>4,001,106</u>	<u>-</u>	<u>4,001,106</u>
Total capital assets, not being depreciated	<u>305,596</u>	<u>4,001,106</u>	<u>-</u>	<u>4,306,702</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	67,975	-	-	67,975
Buildings and improvements	5,043,063	-	-	5,043,063
Machinery and equipment	2,737,678	229,923	-	2,967,601
Infrastructure	26,813,706	811,713	-	27,625,419
Vehicles	<u>1,732,968</u>	<u>131,281</u>	<u>-</u>	<u>1,864,249</u>
Total capital assets, being depreciated	<u>36,395,390</u>	<u>1,172,917</u>	<u>-</u>	<u>37,568,307</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(39,429)	(1,959)	-	(41,388)
Buildings and improvements	(1,911,814)	(116,144)	-	(2,027,958)
Machinery and equipment	(2,104,097)	(78,912)	-	(2,183,009)
Infrastructure	(12,444,264)	(570,360)	-	(13,014,624)
Vehicles	<u>(1,206,652)</u>	<u>(105,464)</u>	<u>-</u>	<u>(1,312,116)</u>
Total accumulated depreciation	<u>(17,706,256)</u>	<u>(872,839)</u>	<u>-</u>	<u>(18,579,095)</u>
Total capital assets, being depreciated, net	<u>18,689,134</u>	<u>300,078</u>	<u>-</u>	<u>18,989,212</u>
Business-type activities capital assets, net	<u>\$ 18,994,730</u>	<u>\$ 4,301,184</u>	<u>\$ -</u>	<u>\$ 23,295,914</u>

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

**Governmental activities:**

General government	\$ 40,082
Security of persons and property	31,079
Transportation	644,759
Leisure time activity	<u>159,351</u>
Total depreciation expense - governmental activities	<u>\$ 875,271</u>

**Business-type activities:**

Water	\$ 246,728
Sewer	350,783
Light	<u>275,328</u>
Total depreciation expense - business-type activities	<u>\$ 872,839</u>

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 9 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

**B. Insurances**

The City provides medical/surgical and prescription drug insurance for all eligible employees through Anthem Blue Cross Blue Shield. The monthly premium for medical/surgical and prescription drug coverage is \$1,810.38 for family plan, \$1,289.02 for a spousal plan, \$989.93 for a dependent child plan, and \$856.45 for a single plan. The City pays 90% of the premiums.

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

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

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

**NOTE 10 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

**B. Litigation**

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 10 - CONTINGENCIES - (Continued)**

**C. Component Unit Tax-Exempt Status**

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

**D. Paid Up Oil/Gas Leases**

The City has entered into several "paid-up" oil and gas leases. In consideration of the lease agreements, the City has received various signing bonuses. Royalties are paid for all oil and other liquid hydrocarbons and by-products produced and saved from the land, and all gas and other hydrocarbons and by-products. For 2023, the City received royalty payments of \$249,544. As of the date of the financial statements, the value of any future royalties cannot be reasonably determined.

**NOTE 11 - LONG-TERM OBLIGATIONS**

A. During 2023, the following changes occurred in the City's governmental activities long-term obligations:

	<u>Interest Rate</u>	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>
<b><u>Governmental activities:</u></b>						
<b><u>OPWC Loans (direct borrowing):</u></b>						
Bett-Mar (CR10L) - 2008	0.00%	\$ 37,894	\$ -	\$ (5,829)	\$ 32,065	\$ 5,829
St. Clairsville Road Project (CR25M) - 2010	0.00%	39,347	-	(4,919)	34,428	4,919
Resurfacing 22 Roads (CR03N) - 2011	0.00%	34,344	-	(3,816)	30,528	3,816
Road Resurfacing (CR02Q) - 2014	0.00%	32,396	-	(4,320)	28,076	4,320
Total OPWC loans		<u>143,981</u>	<u>-</u>	<u>(18,884)</u>	<u>125,097</u>	<u>18,884</u>
<b><u>General obligation bonds:</u></b>						
2016 refunding bonds - recreation	2%-4%	50,000	-	(5,000)	45,000	5,000
Premium		4,346	-	(434)	3,912	-
Total general obligation bonds		<u>54,346</u>	<u>-</u>	<u>(5,434)</u>	<u>48,912</u>	<u>5,000</u>
<b><u>Other long-term liabilities:</u></b>						
Net pension liability		1,582,201	1,522,486	-	3,104,687	-
Net OPEB liability		219,404	22,244	(70,569)	171,079	-
Compensated absences		95,697	53,133	(58,744)	90,086	10,755
Total other long-term liabilities		<u>1,897,302</u>	<u>1,597,863</u>	<u>(129,313)</u>	<u>3,365,852</u>	<u>10,755</u>
Total governmental activities long-term liabilities		<u>\$ 2,095,629</u>	<u>\$ 1,597,863</u>	<u>\$ (153,631)</u>	<u>\$ 3,539,861</u>	<u>\$ 34,639</u>

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

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

- B.** The annual requirements amortize governmental activities long-term obligations outstanding as of December 31, 2023, are as follows:

Year Ended	G. O. Bonds - 2016 Refunding			OPWC Loans - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 5,000	\$ 1,400	\$ 6,400	\$ 18,884	\$ -	\$ 18,884
2025	5,000	1,200	6,200	18,884	-	18,884
2026	5,000	1,000	6,000	18,884	-	18,884
2027	5,000	800	5,800	18,884	-	18,884
2028	5,000	700	5,700	18,884	-	18,884
2029 - 2032	20,000	2,200	22,200	30,677	-	30,677
Totals	<u>\$ 45,000</u>	<u>\$ 7,300</u>	<u>\$ 52,300</u>	<u>\$ 125,097</u>	<u>\$ -</u>	<u>\$ 125,097</u>

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**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

C. During 2023, the following changes occurred in the City's business-type activities long-term obligations:

	<u>Interest Rate</u>	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>
<b><u>Business-type activities:</u></b>						
<b><u>OWDA loans - direct borrowings:</u></b>						
WWTP improvements - #7233	2.71%	\$ 1,316,398	\$ -	\$ (94,028)	\$ 1,222,370	\$ 94,028
New reservoir improvement - #8368	0.6-1.85%	974,843	-	(51,446)	923,397	52,040
I-70 Underpass Watermain - #9771	2.10%	3,315	783,713	(18,955)	768,073	19,155
East end Belmont county water connection - #9484	1.28%	169,217	-	(4,020)	165,197	4,513
East end Belmont county water connection - #10066	0.00%	-	50,359	-	50,359	-
Total OWDA loans		<u>2,463,773</u>	<u>834,072</u>	<u>(168,449)</u>	<u>3,129,396</u>	<u>169,736</u>
<b><u>OPWC loans - direct borrowings:</u></b>						
Belmont Dr. pump station replace. - CR20H	2.00%	19,246	-	(4,129)	15,117	4,212
East Main force liner - CR23F	2.00%	19,247	-	(12,768)	6,479	6,480
Wastewater system repairs - CR13E	2.00%	15,833	-	(7,837)	7,996	7,994
Water transmission system - CR05H	2.00%	10,834	-	(3,019)	7,815	3,080
New reservoir improvement - CR24V	0.00%	201,654	-	-	201,654	-
Total OPWC loans		<u>266,814</u>	<u>-</u>	<u>(27,753)</u>	<u>239,061</u>	<u>21,766</u>
<b><u>General obligation bonds:</u></b>						
2016 refunding bonds - water system	2%-4%	140,000	-	(20,000)	120,000	10,000
Premium		10,627	-	(1,062)	9,565	-
2016 refunding bonds - sewer system	2%-4%	85,000	-	(10,000)	75,000	10,000
Premium		7,262	-	(865)	6,397	-
2016 refunding bonds - light system	2%-4%	2,680,000	-	(305,000)	2,375,000	335,000
Premium		219,701	-	(31,497)	188,204	-
Total general obligations bonds		<u>3,142,590</u>	<u>-</u>	<u>(368,424)</u>	<u>2,774,166</u>	<u>355,000</u>
<b><u>Other long-term liabilities:</u></b>						
Compensated absences		81,144	35,017	(54,136)	62,025	7,406
Net pension liability		654,274	1,558,004	-	2,212,278	-
Net OPEB liability		-	43,979	-	43,979	-
Intergovernmental payable		21,256	-	-	21,256	6,963
Total other long-term liabilities		<u>756,674</u>	<u>1,637,000</u>	<u>(54,136)</u>	<u>2,339,538</u>	<u>14,369</u>
Total business-type long-term obligations		<u>\$ 6,629,851</u>	<u>\$ 2,471,072</u>	<u>\$ (618,762)</u>	<u>\$ 8,482,161</u>	<u>\$ 560,871</u>

OWDA loans - The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund water and sewer projects. The amounts due to the OWDA are payable from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. Future annual debt service principal and interest requirements for the open loans (New Reservoir Improvement, I-70 Underpass Watermain, and East End Belmont County Water Connection), which have a total balance of \$1,907,026 at December 31, 2023, are not available.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

The City has pledged future sewer revenues to repay certain OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2036. The total principal and interest remaining to be paid on the sewer OWDA loans is \$2,668,339. Annual principal and interest payments on the loans are expected to require 18.92 percent of net revenues and 7.34 percent of total revenues. Principal and interest paid for the current year were \$129,065, total net revenues were \$682,131 and total revenues were \$1,758,625.

The City has pledged future water revenues to repay certain OWDA loans. The loans are payable solely from water fund revenues. A debt service schedule will be available when the loan is closed out. Annual principal and interest payments on the loans are expected to require 11.20 percent of net revenues and 5.38 percent of total revenues. Principal and interest paid for the current year were \$101,253, total net revenues were \$904,332 and total revenues were \$1,882,719.

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

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

The City has pledged future sewer revenues to repay certain OPWC loans. The loans are payable solely from sewer fund revenues and are payable through 2027. The total principal and interest remaining to be paid on the sewer OPWC loans is \$30,387. Annual principal and interest payments on the loans are expected to require 3.80 percent of net revenues and 1.47 percent of total revenues. Principal and interest paid for the current year were \$25,910, total net revenues were \$682,131 and total revenues were \$1,758,625.

The City has pledged future water revenues to repay certain OPWC loans. The loans are payable solely from water fund revenues and are payable through 2026. The total principal and interest remaining to be paid on the water OPWC loan (for which a debt service schedule was available for) is \$8,052. Annual principal and interest payments on the loans are expected to require 0.36 percent of net revenues and 0.17 percent of total revenues. Principal and interest paid for the current year were \$3,221, total net revenues were \$904,332 and total revenues were \$1,882,719.

Future annual debt service principal and interest requirements for the open loan (New Reservoir Improvement), which has a total balance of \$201,654 at December 31, 2023, are not available.

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

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

**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

- D. The annual requirements amortize business-type activities long-term obligations outstanding as of December 31, 2023, are as follows:

Year Ended	OPWC Loans - Direct Borrowing			OWDA Loans - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 21,766	\$ 608	\$ 22,374	\$ 94,028	\$ 126,517	\$ 220,545
2025	7,438	276	7,714	94,028	123,969	217,997
2026	5,978	126	6,104	94,028	121,421	215,449
2027	2,225	22	2,247	94,028	118,873	212,901
2028	-	-	-	94,028	116,325	210,353
2029 - 2033	-	-	-	423,128	491,928	915,056
2034 - 2036	-	-	-	329,102	346,938	676,040
Totals	<u>\$ 37,407</u>	<u>\$ 1,032</u>	<u>\$ 38,439</u>	<u>\$ 1,222,370</u>	<u>\$ 1,445,971</u>	<u>\$ 2,668,341</u>

Year Ended	G.O. Bonds - 2016 Refunding			Intergovernmental Payable		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 355,000	\$ 81,900	\$ 436,900	\$ 6,963	\$ -	\$ 6,963
2025	370,000	67,700	437,700	14,293	-	14,293
2026	310,000	52,900	362,900	-	-	-
2027	325,000	40,500	365,500	-	-	-
2028	230,000	34,000	264,000	-	-	-
2029 - 2032	<u>980,000</u>	<u>74,500</u>	<u>1,054,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 2,570,000</u>	<u>\$ 351,500</u>	<u>\$ 2,921,500</u>	<u>\$ 21,256</u>	<u>\$ -</u>	<u>\$ 21,256</u>

- E. The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was \$14,815,463 and the unvoted debt margin was \$7,739,052.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - RISK MANAGEMENT**

**A. Property and Liability Insurance**

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

Building and contents - replacement cost (\$5,000 deductible)	\$ 34,346,118
Flood coverage (\$50,000 deductible)	5,000,000
Earthquake (\$50,000 deductible)	5,000,000
Crime:	
Employee dishonesty	500,000
Automotive:	
Bodily injury, property damage, etc. (each occurrence)	1,000,000
Uninsured motorist	1,000,000
Medical payments	5,000
General liability:	
General aggregate	3,000,000
Products completed operations aggregate limit	3,000,000
Personal & advertising injury limit	1,000,000
Limit per occurrence	1,000,000
Damage to premises rented to you limit	100,000
Employee benefits (\$5,000 deductible)	1,000,000
Public officials liability:	
Aggregate	3,000,000
Each occurrence (\$5,000 deductible)	1,000,000
Employment practices:	
Aggregate	3,000,000
Each occurrence (\$5,000 deductible)	1,000,000
Back wages limit (\$5,000 deductible)	250,000
Law enforcement liability:	
Aggregate	1,000,000
Each person/occurrence (\$5,000 deductible)	1,000,000
Umbrella:	
Aggregate	5,000,000
Each occurrence (\$10,000 deductible)	5,000,000
Police dog (\$1,000 deductible)	25,000
Computer (\$1,000 deductible)	205,500
Equipment (\$1,000 deductible)	1,187,466
Rented	75,000
Cyber liability	1,000,000

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

**B. Workers' Compensation**

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



**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability and Net OPEB Liability***

The net pension liability and the net OPEB liability reported on the statement of net position represents a liability 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 and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/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.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires 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 on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

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

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

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

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced 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
State and Local	State and Local	State and Local
<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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local	
	Traditional	Combined
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
<b>2023 Actual Contribution Rates</b>		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined 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 \$269,326 for 2023. Of this amount, \$34,801 is reported as intergovernmental payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Plan Description - City full-time police participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at [www.op-f.org](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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% 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, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% 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  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	Police
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee	12.25 %
<b>2023 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$124,834 for 2023. Of this amount, \$19,495 is reported as intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability prior measurement date	0.01133200%	0.00076600%	0.02001700%	
Proportion of the net pension liability current measurement date	0.01127700%	0.00000000%	0.02090460%	
Change in proportionate share	-0.00005500%	-0.00076600%	0.00088760%	
Proportionate share of the net pension liability	\$ 3,331,231	\$ -	\$ 1,985,734	\$ 5,316,965
Pension expense	589,441	-	270,261	859,702

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

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

	OPERS - Traditional	OP&F	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 110,649	\$ 29,789	\$ 140,438
Net difference between projected and actual earnings on pension plan investments	949,506	289,100	1,238,606
Changes of assumptions	35,192	179,107	214,299
Changes in employer's proportionate percentage/ difference between employer contributions	63,744	71,720	135,464
Contributions subsequent to the measurement date	269,326	124,834	394,160
Total deferred outflows of resources	<u>\$ 1,428,417</u>	<u>\$ 694,550</u>	<u>\$ 2,122,967</u>

	OPERS - Traditional	OP&F	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 45,241	\$ 45,241
Changes of assumptions	-	38,721	38,721
Changes in employer's proportionate percentage/ difference between employer contributions	23,447	3,629	27,076
Total deferred inflows of resources	<u>\$ 23,447</u>	<u>\$ 87,591</u>	<u>\$ 111,038</u>

\$394,160 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, 2024.

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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	OP&F	Total
2024	\$ 170,553	\$ 60,599	\$ 231,152
2025	220,473	115,042	335,515
2026	279,486	124,960	404,446
2027	465,132	176,960	642,092
2028	-	4,564	4,564
<b>Total</b>	<b>\$ 1,135,644</b>	<b>\$ 482,125</b>	<b>\$ 1,617,769</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, 2022, 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, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation

Current measurement date	2.75%
Prior measurement date	2.75%

Future salary increases, including inflation

Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% 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: 3.00%, simple through 2022, then 2.05% simple

Investment rate of return

Current measurement date	6.90%
Prior measurement date	6.90%

Actuarial cost method

Individual entry age

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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 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets 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 loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric 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, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	



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**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, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for 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 to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability 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 :			
Traditional Pension Plan	\$ 4,990,073	\$ 3,331,231	\$ 1,951,372

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement 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. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful lives of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
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)**

*Health Mortality*

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

*Disabled Mortality*

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

*Contingent Annuitant Mortality*

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

*Pre-Retirement Mortality*

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION 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, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
<b>Total</b>	<b><u>125.00 %</u></b>	

Note: assumptions are geometric.

\* levered 2x

\*\* Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 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 7.50% 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 earnings were calculated using the longer-term assumed investment rate of return 7.50%. 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability	\$ 2,619,567	\$ 1,985,734	\$ 1,458,829

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

*Net OPEB Liability*

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The 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.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% 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.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

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

***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.

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

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

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.

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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$3,285 for 2023. Of this amount, \$513 is reported as intergovernmental payable.

**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.01057700%	0.02001700%	
Proportion of the net OPEB liability current measurement date	<u>0.01050300%</u>	<u>0.02090460%</u>	
Change in proportionate share	<u>-0.00007400%</u>	<u>0.00088760%</u>	
Proportionate share of the net OPEB liability	\$ 66,223	\$ 148,835	\$ 215,058
OPEB expense	(108,170)	17,056	(91,114)

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 8,881	\$ 8,881
Net difference between projected and actual earnings on OPEB plan investments	131,521	12,768	144,289
Changes of assumptions	64,682	74,171	138,853
Changes in employer's proportionate percentage/difference between employer contributions	6,013	25,607	31,620
Contributions subsequent to the measurement date	-	3,285	3,285
Total deferred outflows of resources	<u>\$ 202,216</u>	<u>\$ 124,712</u>	<u>\$ 326,928</u>

**CITY OF ST. CLAIRSVILLE  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	OPERS	OP&F	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 16,519	\$ 29,350	\$ 45,869
Changes of assumptions	5,323	121,734	127,057
Changes in employer's proportionate percentage/ difference between employer contributions	1,983	10,808	12,791
<b>Total deferred inflows of resources</b>	<b>\$ 23,825</b>	<b>\$ 161,892</b>	<b>\$ 185,717</b>

\$3,285 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 in the year ending December 31, 2024.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2024	\$ 26,494	\$ 2,670	\$ 29,164
2025	47,351	2,396	49,747
2026	41,011	(5,192)	35,819
2027	63,535	(1,954)	61,581
2028	-	(10,974)	(10,974)
Thereafter	-	(27,411)	(27,411)
<b>Total</b>	<b>\$ 178,391</b>	<b>\$ (40,465)</b>	<b>\$ 137,926</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 health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.



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

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
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	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
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.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 loss of 15.6% for 2022.

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

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

**Discount Rate** - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability/(asset)	\$ 225,394	\$ 66,223	\$ (65,119)

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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*** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% 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 health care; the trend starting in 2023 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 liability	\$ 62,073	\$ 66,223	\$ 70,895

***Actuarial Assumptions - OP&F***

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

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

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

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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, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

*Health Mortality*

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

*Disabled Mortality*

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

*Contingent Annuitant Mortality*

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

*Pre-Retirement Mortality*

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

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

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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, 2022, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

\* levered 2x

\*\* Numbers are net of expected inflation.

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

**Discount Rate** - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions 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, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 183,276	\$ 148,835	\$ 119,757

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

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,

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

**Net Change in Fund Balance**

	General	Police	Street
Budget basis	\$ 681,696	\$ 63,190	\$ 103,864
Net adjustment for revenue accruals	38,915	(18,077)	4,489
Net adjustment for expenditure accruals	(11,715)	(9,126)	13,591
Adjustment for encumbrances	1,958	6,686	12,271
GAAP basis	\$ 710,854	\$ 42,673	\$ 134,215

**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ <u>862</u>
Total	\$ <u><u>862</u></u>

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**CITY OF ST. CLAIRSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 17 - FUND BALANCE**

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

Fund Balance	General	Police	Street	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepayments	\$ 14,339	\$ 6,256	\$ 6,250	\$ -	\$ -	\$ 26,845
Materials and supplies inventory	13,976	10,397	10,903	-	-	35,276
Loans	68,561	-	-	-	-	68,561
Unclaimed monies	<u>13,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,990</u>
Total nonspendable	<u>110,866</u>	<u>16,653</u>	<u>17,153</u>	<u>-</u>	<u>-</u>	<u>144,672</u>
Restricted:						
Capital projects	-	-	-	2,229,824	-	2,229,824
Police services	-	173,967	-	-	-	173,967
Court/safety programs	-	-	-	-	37,226	37,226
Transportation projects	-	-	780,751	-	-	780,751
Recreation	-	-	-	-	202,405	202,405
Community and economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955,211</u>	<u>955,211</u>
Total restricted	<u>-</u>	<u>173,967</u>	<u>780,751</u>	<u>2,229,824</u>	<u>1,194,842</u>	<u>4,379,384</u>
Committed:						
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,399</u>	<u>465,399</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,399</u>	<u>465,399</u>
Assigned:						
General government	733	-	-	-	-	733
Community and economic development	<u>129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129</u>
Total assigned	<u>862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862</u>
Unassigned (deficit)	<u>3,785,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,606)</u>	<u>3,750,166</u>
Total fund balances	<u>\$ 3,897,500</u>	<u>\$ 190,620</u>	<u>\$ 797,904</u>	<u>\$ 2,229,824</u>	<u>\$ 1,624,635</u>	<u>\$ 8,740,483</u>



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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS (1) \*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.011277%	0.011332%	0.010088%	0.010177%
City's proportionate share of the net pension liability	\$ 3,331,231	\$ 985,929	\$ 1,493,813	\$ 2,011,553
City's covered payroll	\$ 1,769,343	\$ 1,659,221	\$ 1,488,271	\$ 1,436,614
City's proportionate share of the net pension liability as a percentage of its covered payroll	188.28%	59.42%	100.37%	140.02%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Member Directed Plan:</i>				
City's proportion of the net pension liability	0.000000%	0.000766%	0.001332%	0.000807%
City's proportionate share of the net pension asset	\$ -	\$ 139	\$ 244	\$ 32
City's covered payroll	\$ -	\$ 4,800	\$ 8,010	N/A
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.00%	2.90%	3.05%	N/A
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

(1) Information prior to 2020 was not available for the Member Directed Plan. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

N/A - Information is not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.011646%	0.013040%	0.013508%	0.013883%	0.001432%	0.014317%
\$ 3,189,603	\$ 2,045,725	\$ 3,067,440	\$ 2,404,711	\$ 1,726,789	\$ 1,687,788
\$ 1,572,964	\$ 1,600,908	\$ 1,737,008	\$ 1,759,371	\$ 1,755,358	\$ 1,763,231
202.78%	127.79%	176.59%	136.68%	98.37%	95.72%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS (1) \*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.020905%	0.020017%	0.019724%	0.019747%
City's proportionate share of the net pension liability	\$ 1,985,734	\$ 1,250,546	\$ 1,344,630	\$ 1,330,250
City's covered payroll	\$ 641,221	\$ 592,295	\$ 551,489	\$ 551,489
City's proportionate share of the net pension liability as a percentage of its covered payroll	309.68%	211.14%	243.82%	241.21%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.019880%	0.020579%	0.019091%	0.020279%	0.019396%	0.019396%
\$ 1,622,731	\$ 1,263,026	\$ 1,209,204	\$ 1,304,564	\$ 1,004,794	\$ 944,646
\$ 520,784	\$ 489,379	\$ 490,021	\$ 455,768	\$ 457,877	\$ 427,216
311.59%	258.09%	246.77%	286.23%	219.45%	221.12%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 269,326	\$ 247,708	\$ 232,291	\$ 208,358
Contributions in relation to the contractually required contribution	<u>(269,326)</u>	<u>(247,708)</u>	<u>(232,291)</u>	<u>(208,358)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,923,757	\$ 1,769,343	\$ 1,659,221	\$ 1,488,271
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ -	\$ -	\$ 480	\$ 801
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(480)</u>	<u>(801)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ -	\$ -	\$ 4,800	\$ 8,010
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 201,126	\$ 220,215	\$ 208,118	\$ 208,441	\$ 211,125	\$ 210,643
<u>(201,126)</u>	<u>(220,215)</u>	<u>(208,118)</u>	<u>(208,441)</u>	<u>(211,125)</u>	<u>(210,643)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,436,614	\$ 1,572,964	\$ 1,600,908	\$ 1,737,008	\$ 1,759,371	\$ 1,755,358
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%



**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 124,834	\$ 121,832	\$ 112,536	\$ 104,783
Contributions in relation to the contractually required contribution	<u>(124,834)</u>	<u>(121,832)</u>	<u>(112,536)</u>	<u>(104,783)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 657,021	\$ 641,221	\$ 592,295	\$ 551,489
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 98,949	\$ 92,982	\$ 93,104	\$ 86,596	\$ 86,997	\$ 81,171
<u>(98,949)</u>	<u>(92,982)</u>	<u>(93,104)</u>	<u>(86,596)</u>	<u>(86,997)</u>	<u>(81,171)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 520,784	\$ 489,379	\$ 490,021	\$ 455,768	\$ 457,877	\$ 427,216
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS (1) \*

	<u>2023</u>	<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	0.010503%	0.010577%	0.009448%	0.009509%	0.010878%	0.012200%	0.013100%
City's proportionate share of the net OPEB liability/(asset)	\$ 66,223	\$ (331,287)	\$ (168,324)	\$ 1,313,440	\$ 1,418,236	\$ 1,324,831	\$ 1,323,145
City's covered payroll	\$ 1,769,343	\$ 1,664,021	\$ 1,496,281	\$ 1,436,614	\$ 1,577,764	\$ 1,604,333	\$ 1,740,733
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.74%	19.91%	11.25%	91.43%	89.89%	82.58%	76.01%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS (1) \*

	<u>2023</u>		<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	0.020905%		0.020017%		0.019724%		0.019747%		0.019880%		0.020579%		0.019091%
City's proportionate share of the net OPEB liability	\$ 148,835	\$	219,404	\$	208,983	\$	195,054	\$	181,038	\$	1,165,977	\$	906,207
City's covered payroll	\$ 641,221	\$	592,295	\$	551,489	\$	520,784	\$	489,379	\$	490,021	\$	455,768
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	23.21%		37.04%		37.89%		37.45%		36.99%		237.94%		198.83%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%		46.86%		45.42%		47.08%		46.57%		14.13%		15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS (1) \*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ 192	\$ 320
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(192)</u>	<u>(320)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,923,757	\$ 1,769,343	\$ 1,664,021	\$ 1,496,281
Contributions as a percentage of covered payroll	0.00%	0.00%	0.01%	0.02%

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

\* The OPEB plan includes participants from the Traditional and Member Directed Plan for 2023. Prior to 2020, the City only had participants in the Traditional Plan.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ -	\$ 192	\$ 16,146	\$ 34,877
-	(192)	(16,146)	(34,877)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,436,614	\$ 1,577,764	\$ 1,604,333	\$ 1,740,433
0.00%	0.01%	1.01%	2.00%

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 3,285	\$ 3,206	\$ 2,961	\$ 2,757
Contributions in relation to the contractually required contribution	<u>(3,285)</u>	<u>(3,206)</u>	<u>(2,961)</u>	<u>(2,757)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 657,021	\$ 641,221	\$ 592,295	\$ 551,489
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,604	\$ 2,447	\$ 2,450	\$ 2,279	\$ 2,289	\$ 2,136
<u>(2,604)</u>	<u>(2,447)</u>	<u>(2,450)</u>	<u>(2,279)</u>	<u>(2,289)</u>	<u>(2,136)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 520,784	\$ 489,379	\$ 490,021	\$ 455,768	\$ 457,877	\$ 427,216
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%



**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- There were no changes in assumptions for 2023.

(Continued)

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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 10.50%, 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 10.50%, 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.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

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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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- For 2023, 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 changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

## **SUPPLEMENTARY INFORMATION**

CITY OF ST. CLAIRSVILLE  
 BELMONT COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through N/A:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	1,375
<i>Passed Through Ohio Department of Development:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Water and Wastewater Infrastructure Program	21.027	COVID-19, DEV-2021-182107	<u>2,688,182</u>
<b>Total U.S. Department of Treasury</b>			<u>2,689,557</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health:</i>			
Opioid STR	93.788	N/A	<u>2,552</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>2,552</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 2,692,109</u>

*See accompanying notes to the schedule of expenditures of federal awards*

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
*2 CFR 200.510(b)(6)*  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Clairsville under programs of the federal government for the fiscal year ended December 31, 2023 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of St. Clairsville, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Clairsville. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS COST RATE**

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The City of Clairsville has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

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

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Clairsville, Belmont County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of St. Clairsville's basic financial statements, and have issued our report thereon dated July 17, 2024.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of St. Clairsville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2023-001.



City of St. Clairsville

Belmont 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*

### **City of St. Clairsville 's Responses to Findings**

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

### **Purpose of this Report**

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



Julian & Grube, Inc.

July 17, 2024

**Independent Auditor’s Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

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

To the Members of the City Council and Mayor:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of St. Clairsville’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of St. Clairsville’s major federal programs for the year ended December 31, 2023. The City of St. Clairsville’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the City of St. Clairsville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

We are required to be independent of the City of St. Clairsville and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of St. Clairsville’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of St. Clairsville’s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of St. Clairsville's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of St. Clairsville's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of St. Clairsville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of St. Clairsville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Clairsville's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

City of St. Clairsville  
Belmont County  
Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
July 17, 2024

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2023-001

**Significant Deficiency/Noncompliance – Competitive Bidding:**

Pursuant to Ohio Revised Code 735.05 competitive bidding is required for certain projects and purchases in excess of \$50,000 from January 1, 2023 to October 2, 2023 and in excess of \$75,000 from October 3, 2023 to December 31, 2023. In addition, no purchase, lease, project, or other transaction subject to this requirement shall be divided into component parts, separate projects, or separate items of work in order to avoid these requirements.

During the audit we noted multiple violations when reviewing the \$358,000 Fuel Tank Replacement project.

- Project inception was not approved by Council.
- Request for bids, pursuant to ORC 735.05 were not advertised to the public.
- The Service Director contacted and facilitated the project with a State approved purchasing agent (which does not eliminate the requirement for bidding), however, no formal contract pricing agreement was agreed upon with the vendor.
- Unapproved vendor provided supplies and services to the City. Invoices for \$150,000 and \$208,000 were paid by the City without approval from Council.

By not appropriately following formal policies and procedures, and the applicable ORC's, the City risks noncompliance and misuse of tax payors dollars by paying for services that are unnecessary and are not in the best interest of the City.

We recommend for all projects meeting the bidding thresholds, the City follow the policies and procedures they currently have in place, as well as the applicable ORC's. If there is any confusion on if a project meets these requirements and should or should not be bid out, they consult with their legal division prior to moving forward with the project.

Finding Number	2023-002
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**Significant Deficiency– Real Estate Purchase:**

The City is governed by “Council” which is a group of individuals elected by taxpayers. These individuals are elected to manage and maintain the jurisdiction, and as such they are the ultimate authority.

When performing testing over expenses we noted two instances in which real estate was purchased without official approval from Council. Prior to the purchase of these properties, it was noted by the Service Director within and the Council minutes that the City had a discussion regarding the purchase of these properties to allow the City access to the sinkhole near Central Park but no official approval was made by the Council to make the purchase.

By not appropriately following policies and procedures, in regards to large purchases or purchases of real estate, the City risks misuse of tax payors dollars by paying for materials, services, supplies, and property that are unnecessary and are not in the best interest of the City.

**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

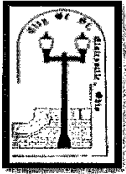
**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

Finding Number	2023-002 (continued)
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We recommend the City follow their policies for similar purchases, including real estate, and Council reviews and approves these purchases in official business.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



*Office of the Director of Finance*

*Annette Whealdon*

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**CITY OF ST. CLAIRSVILLE  
BELMONT COUNTY, OHIO**

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
DECEMBER 31, 2023**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2023-001	Any applicable contracts will be approved by Council.	December 31, 2024	Council
2023-002	Any proposed purchase of real estate will first be approved by Council.	December 31, 2024	Council



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF ST. CLAIRSVILLE**

**BELMONT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/1/2024**

65 East State 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)