

**CITY OF BELLEVUE
HURON COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

Zupka & Associates
Certified Public Accountants



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City Council
City of Bellevue
3000 Seneca Industrial Parkway
Bellevue, Ohio 44811-8709

We have reviewed the *Independent Auditor's Report* of the City of Bellevue, Huron County, prepared by Zupka & Associates, for the audit period January 1, 2024 through December 31, 2024. 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 Bellevue is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 05, 2025

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HURON COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

City of Bellevue
Huron County
3000 Seneca Industrial Parkway
Bellevue, Ohio 44811-8709

To the Members of City Council:

Report on 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 Bellevue, Huron County, Ohio, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 Bellevue as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Park and Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Emphasis of Matter

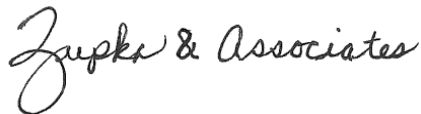
As discussed in Note 3 to the basic financial statements, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

June 26, 2025

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**CITY OF BELLEVUE
HURON COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
UNAUDITED**

The discussion and analysis of the City of Bellevue's (the City) financial performance provides an overall view of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review 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 2024 are as follows:

- The City's net position increased \$6,959,859 as a result of this year's operations. The net position of the City's governmental activities increased by \$4,763,804, and net position for the City's business-type activities increased by \$2,159,255.
- During the year, the City had expenses for governmental activities in the amount of \$9,525,663 and program and general revenues of \$14,289,467. Business-type activities had expenses in the amount of \$5,551,409, and program revenues of \$7,747,464.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all *assets and deferred outflows of resources*, and *liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental Activities** - Most of the City's programs and services are reported here, including Legislative and Executive, Judicial, Security of Persons and Property, Public Health and Welfare, Transportation, Community Environment, and Leisure Time Activities.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Water Fund and Wastewater Pollution Fund are reported as business-type activities.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the General fund, Park and Recreation fund and Capital Improvement fund.

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

Proprietary Funds The City maintains two different types proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for medical, prescription, dental and vision benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Pollution funds, both of which are considered to be major funds of the City.

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2024 compared to 2023:

	Governmental Activities 2024	Business-Type Activities 2024	Total 2024	Total 2023*
<u>Assets</u>				
Current and Other Assets	\$ 27,345,455	\$ 13,791,970	\$ 41,137,425	\$ 35,645,240
Capital Assets	16,493,704	28,299,397	44,793,101	44,024,912
Net OPEB Asset	91,565	70,591	162,156	-
Total Assets	43,930,724	42,161,958	86,092,682	79,670,152
<u>Deferred Outflows of Resources</u>				
Pension	2,416,778	688,603	3,105,381	4,069,486
OPEB	297,816	63,231	361,047	605,368
Total Deferred Outflows of Resources	2,714,594	751,834	3,466,428	4,674,854
<u>Liabilities</u>				
Other Liabilities	630,495	143,754	774,249	964,923
Net Pension Liability	7,346,204	2,190,297	9,536,501	10,216,114
Net OPEB Liability	340,464	-	340,464	437,525
Long-Term Liabilities	610,903	1,603,876	2,214,779	2,993,279
Total Liabilities	8,928,066	3,937,927	12,865,993	14,611,841
<u>Deferred Inflows of Resources</u>				
Property Taxes	1,151,737	-	1,151,737	1,084,871
Pension	220,672	53,571	274,243	312,501
OPEB	384,625	41,949	426,574	455,089
Total Deferred Inflows of Resources	1,757,034	95,520	1,852,554	1,852,461
<u>Net Position</u>				
Net Investment in Capital Assets	16,337,677	26,953,372	43,291,049	41,736,104
Restricted	4,241,012	70,591	4,311,603	3,647,156
Unrestricted	15,381,529	11,856,382	27,237,911	22,497,444
Total Net Position	\$ 35,960,218	\$ 38,880,345	\$ 74,840,563	\$ 67,880,704

* Restated

Current and Other Assets increased mainly due to the increase in equity in pooled cash and cash equivalents. The changes in deferred outflows of resources for Pension and OPEB, Net Pension Liability, Net OPEB Liability, Net Pension Asset, Net OPEB Asset, and Deferred Inflows of Resources for Pension and OPEB are due to the recording of GASB 68 and 75 as described on the next page.

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Long-Term Liabilities (other than pension and OPEB) decreased by \$778,500, mainly due to decrease of financed purchase payable and loan payable.

The net pension liability (NPL) is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City previously adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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, net pension asset and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net pension and OPEB asset.

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

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

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

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

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

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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 and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Table 2 shows the changes in net position for the year 2024 compared to 2023:

Table 2 - Changes in Net Position				
	Governmental Activities 2024	Business-Type Activities 2024	Total 2024	Total 2023
<u>Revenues</u>				
Program Revenues:				
Charges for Services	\$ 890,155	\$ 7,747,464	\$ 8,637,619	\$ 8,209,012
Operating Grants and Contributions	928,640	-	928,640	732,400
Capital Grants and Contributions	586,450	-	586,450	105,000
General Revenues:				
Municipal Income Taxes	8,643,310	-	8,643,310	8,700,496
Property Taxes	1,090,018	-	1,090,018	1,067,301
Grants and Entitlements	395,294	-	395,294	495,433
Investment Income	1,622,527	-	1,622,527	1,382,008
Gain on Sale of Capital Assets	11,054	-	11,054	-
All Other Revenues	122,019	-	122,019	73,100
Total Revenues	14,289,467	7,747,464	22,036,931	20,764,750
<u>Program Expenses</u>				
General Government -Legislative and Executive	2,370,011	-	2,370,011	2,231,966
General Government -Judicial	491,463	-	491,463	576,344
Security of Persons and Property	3,694,860	-	3,694,860	3,698,375
Public Health and Welfare	21,109	-	21,109	22,609
Transportation	1,668,762	-	1,668,762	1,573,849
Community Environment	239,407	-	239,407	221,130
Leisure Time Activities	1,033,846	-	1,033,846	1,032,255
Interest and Fiscal Charges	6,205	-	6,205	3,390
Water	-	3,338,730	3,338,730	3,350,724
Wastewater Pollution	-	2,212,679	2,212,679	2,280,298
Total Expenses	9,525,663	5,551,409	15,077,072	14,990,940
Increase in Net Position	\$ 4,763,804	\$ 2,196,055	\$ 6,959,859	\$ 5,773,810

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Presently, the City has non-voted millage of 2.0 mills for General Fund operations and 0.3 mills each for the Police and Fire Pension funds. The City has voted millage, which is outside the 10-mill limitation, of 2.0 mills for ambulance and emergency medical services and 2.0 mills for recreation.

The unique nature of property taxes in Ohio sometimes creates the need to seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35 annually in taxes. If three years later the home were reappraised and its value increased to \$200,000 (and this inflationary increase in value is still comparable to other property owners), the effective tax rate would become 0.5 mills and the owner would still pay \$35.

Thus, the City depends on municipal income taxes due to the lack of property tax revenue growth. Municipal income and property taxes made up 68.12 percent of total revenues for governmental activities in calendar year 2024.

Total revenues increased by \$918,437 in 2024. This was mainly due to an increase in investment income, and municipal income taxes. Investment income increased due to the increase rate in 2024. Municipal income taxes and property taxes increased due to an increase in cash collections and accruals for 2024.

Security of Persons and Property comprise 38.79 percent; General Government – Legislative, Executive, and Judicial comprise 30.04 percent; Leisure Time Activities comprise 10.85 percent; and Transportation comprised 17.52 percent of governmental program expenses.

Governmental activities programs expenses totaled \$9,525,663 which is a \$165,745 increase as compared to 2023. Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$3,694,860 of the total expenses of the City. The increase as compared to 2023 is due to a 2024 increase of expenditures in GASB 68 & GASB 75 calculation. These expenses were partially funded by \$1,799 in direct charges to users of the services, \$8,024 operating grants and contributions and \$114,000 capital grants. Transportation expenses totaled \$1,668,762 and were funded by \$928,640 in operating grants and contributions.

The Statement of Activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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Table 3 - Governmental Activities

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023
General Government - Legislative and Executive	\$ 2,370,011	\$ 2,325,330	\$ 2,231,966
General Government - Judicial	491,463	308,222	576,344
Security of Persons and Property	3,694,860	3,571,037	3,698,375
Public Health and Welfare	21,109	11,009	22,609
Transportation	1,668,762	603,354	1,573,849
Community Environment	239,407	203,836	221,130
Leisure Time Activities	1,033,846	91,425	1,032,255
Interest and Fiscal Charges	6,205	6,205	3,390
Total Expenses	\$ 9,525,663	\$ 7,120,418	\$ 9,359,918

Business-Type Activities

Business-type activities include the Water and Wastewater Pollution funds. These programs had total revenues of \$7,747,464 and total expenses of \$5,551,409 for the year 2024 for an increase in net position of \$2,159,255. The majority of the increase in net position is due to the increase in net position of the Wastewater Pollution fund due to revenues exceeding expenses. Business-type activities receive no support from tax revenues. Total revenues increased by \$353,744, or 4.55 percent, in 2024 and total expenses decreased by \$79,613, or 1.52 percent.

The City's Funds

Information about the City's major funds, which are the General Fund, Park and Recreation and Capital Improvement Fund. All governmental funds had total revenues (including other financing sources) of \$16,104,423 and expenditures (including other financing uses) of \$11,927,629. The General Fund, which is always a major fund, had a net increase in fund balance of \$3,360,394 due to revenues exceeding expenditures during 2024. The Park and Recreation Fund had a net decrease in fund balance of \$68,551. The Capital Improvement Fund had a net increase in fund balance of \$39,257.

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.

The City uses department-based budgeting and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the General Fund, original budget and the final budget basis revenue were the same in the amount of \$10,344,494, plus a beginning unobligated cash balance of \$11,437,319. This estimate was applied to the final budgeted amount of expenditures and prior year encumbrances of \$9,327,917, for a budget unobligated balance of \$12,649,563. The City's General Fund actual ending unobligated cash balance was \$15,145,988, for a favorable variance of \$2,496,425. The favorable variance was mainly due to conservative budgeting and the fluctuation of expenses due to salaries and benefits and withholding of capital improvements due to pandemic issues.

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Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the City had \$44,793,101 invested in land and land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, infrastructure, and construction in progress. \$16,493,704 is reported in the governmental activities while \$28,299,397 is reported in the business-type activities. Table 4 shows the 2024 balances compared to 2023.

Table 4 - Capital Assets, Net of Accumulated Depreciation at Year End

	Governmental Activities 2024	Business-Type Activities 2024	Total 2024	Total 2023
Land and Land Improvements	\$ 2,003,631	\$ 2,831,184	\$ 4,834,815	\$ 4,405,053
Buildings and Improvements	7,123,561	18,315,462	25,439,023	25,439,023
Furniture, Fixtures, and Equipment	4,097,432	3,497,485	7,594,917	7,068,843
Vehicles	4,118,982	1,335,661	5,454,643	5,215,190
Infrastructure	19,044,142	24,913,553	43,957,695	39,587,272
Construction in Progress	1,022,446	-	1,022,446	3,882,308
Total Capital Assets	37,410,194	50,893,345	88,303,539	85,597,689
Accumulated Depreciation	(20,916,490)	(22,593,948)	(43,510,438)	(41,572,777)
Totals	\$ 16,493,704	\$ 28,299,397	\$ 44,793,101	\$ 44,024,912

See Note 9 to the basic financial statements for additional detail on capital assets.

Debt

At December 31, 2024, the City had \$1,444,133 in loans and financed purchases payable outstanding, with \$656,111 due within one year. Table 5 summarizes bond and loans outstanding.

Table 5 - Outstanding Debt at Year End

	Governmental Activities 2024	Business-Type Activities 2024	Total 2024	Total 2023
Financed Purchases Payable	\$ 103,996	\$ 71,130	\$ 175,126	\$ 261,733
O.W.D.A. Loans	-	1,269,007	1,269,007	1,907,522
Total	\$ 103,996	\$ 1,340,137	\$ 1,444,133	\$ 2,169,255

The outstanding financed purchase payable consists of leases for a vac truck. The outstanding O.W.D.A. loans consists of loan agreements between the City and the Ohio Water Development Authority for construction of a wastewater treatment facility and rehabilitation of water filtration plant treatment basins. The loans will be paid from resources of the Wastewater Pollution Fund and Water Fund. See Notes 11, 12, and 13 to the basic financial statements for additional detail on the City's debt activity.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
UNAUDITED**

For the Future

The City is not aware of any decisions or conditions, supportable by objective information, that are expected to significantly affect equity or results of operations.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact Patrick Smith, City Auditor, 3000 Seneca Industrial Parkway, Bellevue, Ohio 44811, or e-mail at patrick.smith@cityofbellevue.com.

Basic Financial Statements

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 22,196,928	\$ 12,431,080	\$ 34,628,008
Cash and Cash Equivalents:			
With Fiscal Agents	742,607	-	742,607
Materials and Supplies Inventory	31,874	475,157	507,031
Accounts Receivable	124,036	1,080,041	1,204,077
Intergovernmental Receivable	441,038	-	441,038
Internal Balances	194,308	(194,308)	-
Municipal Income Taxes Receivable	2,411,555	-	2,411,555
Property Taxes Receivable	1,170,425	-	1,170,425
Restricted Assets:			
Deposits	32,684	-	32,684
Nondepreciable Capital Assets	2,279,345	2,200,212	4,479,557
Depreciable Capital Assets	14,214,359	26,099,185	40,313,544
Net OPEB Asset	91,565	70,591	162,156
Total Assets	43,930,724	42,161,958	86,092,682
DEFERRED OUTFLOWS OF RESOURCES			
Pension	2,416,778	688,603	3,105,381
OPEB	297,816	63,231	361,047
Total Deferred Outflows of Resources	2,714,594	751,834	3,466,428
LIABILITIES			
Accounts Payable	137,921	38,468	176,389
Contracts Payable	3,697	5,888	9,585
Accrued Wages and Benefits	141,193	66,113	207,306
Intergovernmental Payable	45,339	16,904	62,243
Accrued Interest Payable	-	16,381	16,381
Claims Payable	69,333	-	69,333
Unearned Revenue	233,012	-	233,012
Long-term Liabilities:			
Due within one year	142,664	680,825	823,489
Due in more than one year:			
Net Pension Liability	7,346,204	2,190,297	9,536,501
Net OPEB Liability	340,464	-	340,464
Other Amounts	468,239	923,051	1,391,290
Total Liabilities	8,928,066	3,937,927	12,865,993
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,151,737	-	1,151,737
Pension	220,672	53,571	274,243
OPEB	384,625	41,949	426,574
Total Deferred Inflows of Resources	1,757,034	95,520	1,852,554
NET POSITION			
Net Investment in Capital Assets	16,337,677	26,953,372	43,291,049
Restricted for:			
Capital Projects	592,174	-	592,174
Debt Service	23,376	-	23,376
Community Development	499,886	-	499,886
Streets and Highways	863,834	-	863,834
Police and Fire	1,087,346	-	1,087,346
Recreation	685,662	-	685,662
Other Purposes	397,169	-	397,169
Pension and OPEB	91,565	70,591	162,156
Unrestricted	15,381,529	11,856,382	27,237,911
Total Net Position	\$ 35,960,218	\$ 38,880,345	\$ 74,840,563

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General Government:							
Legislative and Executive	\$ 2,370,011	\$ 44,681	\$ -	\$ -	\$ (2,325,330)	\$ -	\$ (2,325,330)
Judicial	491,463	183,241	-	-	(308,222)	-	(308,222)
Security of Persons and Property	3,694,860	1,799	8,024	114,000	(3,571,037)	-	(3,571,037)
Public Health and Welfare	21,109	-	10,100	-	(11,009)	-	(11,009)
Transportation	1,668,762	-	592,958	472,450	(603,354)	-	(603,354)
Community Environment	239,407	20,571	15,000	-	(203,836)	-	(203,836)
Leisure Time Activities	1,033,846	639,863	302,558	-	(91,425)	-	(91,425)
Interest and Fiscal Charges	6,205	-	-	-	(6,205)	-	(6,205)
Total Governmental activities	9,525,663	890,155	928,640	586,450	(7,120,418)	-	(7,120,418)
Business-type activities:							
Water	3,338,730	4,082,896	-	-	-	744,166	744,166
Wastewater Pollution	2,212,679	3,664,568	-	-	-	1,451,889	1,451,889
Total Business-type activities	5,551,409	7,747,464	-	-	-	2,196,055	2,196,055
Totals	\$ 15,077,072	\$ 8,637,619	\$ 928,640	\$ 586,450	(7,120,418)	2,196,055	(4,924,363)
General Revenues:							
Property Taxes levied for:							
General Purposes					377,202	-	377,202
Other Purposes					712,816	-	712,816
Municipal Income Taxes levied for:							
General Purposes					8,643,310	-	8,643,310
Grants & Entitlements not restricted to specific programs					395,294	-	395,294
Investment Income					1,622,527	-	1,622,527
Gain on Sale of Capital Assets					11,054	-	11,054
All Other Revenues					122,019	-	122,019
Total General Revenues					11,884,222	-	11,884,222
Change in Net Position					4,763,804	2,196,055	6,959,859
Net Position - Beginning of the Year, as Previously Reported					31,236,916	36,721,090	67,958,006
Change in Accounting Principle					(40,502)	(36,800)	(77,302)
Net Position - Beginning of the Year, as Restated					31,196,414	36,684,290	67,880,704
Net Position - End of Year					\$ 35,960,218	\$ 38,880,345	\$ 74,840,563

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General Fund	Park and Recreation	Capital Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 15,176,486	\$ 721,863	\$ 1,034,788	\$ 5,263,791	\$ 22,196,928
Materials and Supplies Inventory	-	-	-	31,874	31,874
Accounts Receivable	114,312	-	-	9,724	124,036
Interfund Receivable	194	-	-	-	194
Intergovernmental Receivable	147,422	13,561	-	280,055	441,038
Restricted Assets:					
Deposits	-	-	32,684	-	32,684
Municipal Income Taxes Receivable	2,411,555	-	-	-	2,411,555
Property Taxes Receivable	449,987	326,999	-	393,439	1,170,425
Total Assets	\$ 18,299,956	\$ 1,062,423	\$ 1,067,472	\$ 5,978,883	\$ 26,408,734
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 45,555	\$ 8,431	\$ 78,334	\$ 5,601	\$ 137,921
Accrued Wages and Benefits	107,220	13,039	-	20,934	141,193
Contracts Payable	-	-	-	3,697	3,697
Intergovernmental Payable	14,525	3,424	-	27,390	45,339
Interfund Payable	-	-	-	194	194
Unearned Revenue	-	-	-	233,012	233,012
Total Liabilities	167,300	24,894	78,334	290,828	561,356
Deferred Inflows of Resources:					
Property Taxes	442,527	321,753	-	387,457	1,151,737
Unavailable Revenue - Delinquent Property Taxes	7,460	5,246	-	5,982	18,688
Unavailable Revenue - Municipal Income Taxes	1,295,515	-	-	-	1,295,515
Unavailable Revenue - Other	142,818	13,561	-	188,502	344,881
Total Deferred Inflows of Resources	1,888,320	340,560	-	581,941	2,810,821
Fund Balances:					
Nonspendable	300	-	-	31,874	32,174
Restricted	53,099	696,969	-	3,305,465	4,055,533
Committed	-	-	989,138	1,770,949	2,760,087
Assigned	27,274	-	-	-	27,274
Unassigned	16,163,663	-	-	(2,174)	16,161,489
Total Fund Balances	16,244,336	696,969	989,138	5,106,114	23,036,557
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,299,956	\$ 1,062,423	\$ 1,067,472	\$ 5,978,883	\$ 26,408,734

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024**

Total Governmental Funds Balance \$ 23,036,557

*Amounts reported for Governmental Activities in the Statement of Net Position
are different because:*

Capital Assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds 16,493,704

Other long-term assets are not available to pay for current-period expenditures
and, therefore, are unavailable in the funds:

Municipal income taxes	1,295,515	
Delinquent property taxes	18,688	
Intergovernmental	301,188	
Charges for services	43,693	
Total		1,659,084

Internal Service funds are used by management to charge the costs
of certain activities, such as insurance to individual funds. The assets
and liabilities of the Internal Service funds are included in Governmental
Activities in the Statement of Net Position. 867,582

The net pension liability and net OPEB liability are not due and payable
in the current period; and the net OPEB assets is not available
for spending in the current period; therefore, the liability, asset, and
related deferred outflows are not reported in governmental funds:

Net OPEB Asset	91,565	
Deferred Outflows - Pension	2,416,778	
Deferred Inflows - Pension	(220,672)	
Net Pension Liability	(7,346,204)	
Deferred Outflows - OPEB	297,816	
Deferred Inflows - OPEB	(384,625)	
Net OPEB Liability	(340,464)	
Total		(5,485,806)

Long-term liabilities, including bonds payable, are not due and payable in the
current period and therefore are not reported in the funds:

Financed Purchase Payable leases	(103,996)	
Compensated absences	(506,907)	
Total		(610,903)

Net Position of Governmental Activities \$ 35,960,218

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	Park and Recreation	Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 376,292	\$ 326,958	\$ -	\$ 386,080	\$ 1,089,330
Municipal Income Taxes	8,378,303	-	-	-	8,378,303
Intergovernmental	377,397	242,520	-	1,201,405	1,821,322
Interest	1,584,932	-	-	4,818	1,589,750
Fees, Licenses, and Permits	48,062	-	-	-	48,062
Fines and Forfeitures	159,065	-	-	33,292	192,357
Charges for Services	16,640	639,863	-	10,100	666,603
Contributions and Donations	-	87,162	-	-	87,162
All Other Revenues	83,818	2,329	-	35,872	122,019
Total Revenues	11,024,509	1,298,832	-	1,671,567	13,994,908
EXPENDITURES					
General Government:					
Legislative and Executive	2,064,601	-	30,000	577	2,095,178
Judicial	435,718	-	-	16,185	451,903
Security of Persons and Property	2,903,528	-	-	516,530	3,420,058
Public Health and Welfare	-	-	-	19,959	19,959
Transportation	-	-	-	840,804	840,804
Community Environment	207,821	-	-	19,480	227,301
Leisure Time Activities	-	1,067,766	-	9,614	1,077,380
Capital Outlay	-	277,833	1,175,690	232,724	1,686,247
Debt Service:	-	-	-	-	-
Principal Retirement	-	27,647	-	-	27,647
Interest and Fiscal Charges	-	6,205	-	-	6,205
Total Expenditures	5,611,668	1,379,451	1,205,690	1,655,873	9,852,682
Excess of Revenues (Under) Expenditures	5,412,841	(80,619)	(1,205,690)	15,694	4,142,226
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	22,500	-	-	-	22,500
Inception of Financed Purchase	-	12,068	-	-	12,068
Transfers In	-	-	1,244,947	830,000	2,074,947
Transfers Out	(2,074,947)	-	-	-	(2,074,947)
Total Other Financing Sources (Uses)	(2,052,447)	12,068	1,244,947	830,000	34,568
Net Change in Fund Balances	3,360,394	(68,551)	39,257	845,694	4,176,794
Fund Balances - Beginning of Year, as previously presented	12,883,942	-	949,881	5,041,533	18,875,356
Change within financial reporting entity (Nonmajor to Major Fund)	-	765,520	-	(765,520)	-
Fund Balances - Beginning of Year, as adjusted	12,883,942	765,520	949,881	4,276,013	18,875,356
Decrease in Inventory	-	-	-	(15,593)	(15,593)
Fund Balances - End of Year	\$ 16,244,336	\$ 696,969	\$ 989,138	\$ 5,106,114	\$ 23,036,557

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON 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, 2024**

Net Change in Fund Balances-Total Governmental Funds \$ 4,176,794

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

Capital Outlay	\$ 2,059,674	
Depreciation	(1,354,218)	
Total		705,456

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (11,446)

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

Municipal income taxes	265,007	
Delinquent property taxes	688	
Intergovernmental	(8,200)	
Charges for services	(6,767)	
Total		250,728

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of Financed Purchase Payable (12,068)

Repayment of loan principal is an expenditure in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 27,647

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

Pension		544,308
OPEB		8,177

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

Pension		(868,451)
OPEB		31,578

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	18,708	
Change in inventory	(15,593)	
Total		3,115

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities.

		(92,034)
Change in Net Position of Governmental Activities		\$ 4,763,804

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 346,904	\$ 346,904	\$ 376,292	\$ 29,388
Municipal Income Taxes	7,881,480	7,881,480	8,549,158	667,678
Intergovernmental	386,441	386,441	419,178	32,737
Interest	1,461,151	1,461,151	1,584,932	123,781
Fees, Licenses, and Permits	41,998	41,998	45,556	3,558
Fines and Forfeitures	137,213	137,213	148,837	11,624
Charges for Services	15,340	15,340	16,640	1,300
All Other Revenues	53,224	53,224	57,733	4,509
Total Revenues	10,323,751	10,323,751	11,198,326	874,575
Expenditures:				
Current:				
General Government:				
Legislative and Executive	1,790,106	2,736,906	2,056,223	680,683
Judicial	183,617	508,367	442,242	66,125
Security of Persons and Property	1,406,286	3,371,286	2,927,550	443,736
Community Environment	201,908	264,358	206,862	57,496
Total Expenditures	3,581,917	6,880,917	5,632,877	1,248,040
Excess of Revenues Over (Under) Expenditures	6,741,834	3,442,834	5,565,449	2,122,615
Other Financing (Uses)				
Sale of Capital Assets	20,743	20,743	22,500	1,757
Transfers Out	(1,922,000)	(2,447,000)	(2,074,947)	372,053
Total Other Financing Sources (Uses)	(1,901,257)	(2,426,257)	(2,052,447)	373,810
Net Change in Fund Balance	4,840,577	1,016,577	3,513,002	2,496,425
Fund Balance - Beginning of Year	11,437,319	11,437,319	11,437,319	-
Prior Year Encumbrances Appropriated	195,667	195,667	195,667	-
Fund Balance - End of Year	\$ 16,473,563	\$ 12,649,563	\$ 15,145,988	\$ 2,496,425

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL -
PARK AND RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 356,553	\$ 356,553	\$ 326,958	\$ (29,595)
Intergovernmental	228,698	228,698	242,520	13,822
Charges for Services	603,396	603,396	639,863	36,467
Contributions and Donations	86,910	86,910	92,162	5,252
All Other Revenues	2,196	2,196	2,329	133
Total Revenues	<u>1,277,753</u>	<u>1,277,753</u>	<u>1,303,832</u>	<u>26,079</u>
Expenditures:				
Current:				
Leisure Time Activities	<u>862,431</u>	<u>1,626,931</u>	<u>1,384,950</u>	<u>241,981</u>
Net Change in Fund Balance	436,065	(328,435)	(81,118)	247,317
Fund Balance - Beginning of Year	747,462	747,462	747,462	-
Prior Year Encumbrances Appropriated	<u>30,531</u>	<u>30,531</u>	<u>30,531</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,214,058</u>	<u>\$ 449,558</u>	<u>\$ 696,875</u>	<u>\$ 247,317</u>

See accompanying notes to the basic financial statements.

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF FUND NET POSITION -
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Wastewater Pollution Fund	Total	Internal Service Fund
ASSETS				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 4,062,519	\$ 8,368,561	\$ 12,431,080	\$ -
Cash and Cash Equivalents:				
With Fiscal Agent	-	-	-	742,607
Materials and Supplies Inventory	442,744	32,413	475,157	-
Accounts Receivable	554,975	525,066	1,080,041	-
<i>Total Current Assets</i>	<u>5,060,238</u>	<u>8,926,040</u>	<u>13,986,278</u>	<u>742,607</u>
Noncurrent Assets:				
Capital Assets:				
Land	1,781,297	418,915	2,200,212	-
Depreciable Assets, Net of Depreciation	11,947,748	14,151,437	26,099,185	-
Net OPEB Asset	39,308	31,283	70,591	-
<i>Total Noncurrent Assets</i>	<u>13,768,353</u>	<u>14,601,635</u>	<u>28,369,988</u>	<u>-</u>
Total Assets	<u>18,828,591</u>	<u>23,527,675</u>	<u>42,356,266</u>	<u>742,607</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	383,448	305,155	688,603	-
OPEB	35,210	28,021	63,231	-
Total Deferred Outflows of Resources	<u>418,658</u>	<u>333,176</u>	<u>751,834</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	20,039	18,429	38,468	-
Accrued Wages and Benefits	34,143	31,970	66,113	-
Contracts Payable	-	5,888	5,888	-
Intergovernmental Payable	8,734	8,170	16,904	-
Accrued Interest Payable	1,278	15,103	16,381	-
Compensated Absences Payable	28,650	24,633	53,283	-
Claims Payable	-	-	-	69,333
OWDA Loans Payable	95,892	460,520	556,412	-
Financed Purchase Payable	35,910	35,220	71,130	-
<i>Total Current Liabilities</i>	<u>224,646</u>	<u>599,933</u>	<u>824,579</u>	<u>69,333</u>
Noncurrent Liabilities:				
Compensated Absences Payable	91,520	118,936	210,456	-
OWDA Loans Payable	-	712,595	712,595	-
Net Pension Liability	1,219,666	970,631	2,190,297	-
<i>Total Noncurrent Liabilities</i>	<u>1,311,186</u>	<u>1,802,162</u>	<u>3,113,348</u>	<u>-</u>
Total Liabilities	<u>1,535,832</u>	<u>2,402,095</u>	<u>3,937,927</u>	<u>69,333</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	29,831	23,740	53,571	-
OPEB	23,359	18,590	41,949	-
Total Deferred Inflows of Resources	<u>53,190</u>	<u>42,330</u>	<u>95,520</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	13,597,243	13,356,129	26,953,372	-
Restricted for:				
Pension and OPEB	39,308	31,283	70,591	-
Unrestricted	4,021,676	8,029,014	12,050,690	673,274
Total Net Position	<u>\$ 17,658,227</u>	<u>\$ 21,416,426</u>	<u>\$ 38,880,345</u>	<u>\$ 673,274</u>

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

(194,308)
\$ 38,880,345

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION -
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Wastewater Pollution Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 4,079,437	\$ 3,658,696	\$ 7,738,133	\$ 1,556,734
Miscellaneous	509	2,202	2,711	-
Total Operating Revenues	<u>4,079,946</u>	<u>3,660,898</u>	<u>7,740,844</u>	<u>1,556,734</u>
OPERATING EXPENSES				
Salaries	1,037,400	890,470	1,927,870	-
Materials and Supplies	1,026,264	224,553	1,250,817	-
Contractual Services	817,260	560,084	1,377,344	81,500
Depreciation	427,399	480,634	908,033	-
Claims	-	-	-	1,649,438
Other	328	327	655	-
Total Operating Expense	<u>3,308,651</u>	<u>2,156,068</u>	<u>5,464,719</u>	<u>1,730,938</u>
Operating Income (Loss)	<u>771,295</u>	<u>1,504,830</u>	<u>2,276,125</u>	<u>(174,204)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest	-	-	-	32,777
Interest and Fiscal Charges	(3,827)	(33,470)	(37,297)	-
Tap-In Fees	2,950	3,670	6,620	-
Total Nonoperating Revenues (Expenses)	<u>(877)</u>	<u>(29,800)</u>	<u>(30,677)</u>	<u>32,777</u>
Change in Net Position	770,418	1,475,030	2,245,448	(141,427)
Net Position - Beginning of the Year, as Previously Reported	16,905,984	19,960,021		814,701
Change in Accounting Principle	(18,175)	(18,625)		-
Net Position - Beginning of the Year, as Restated	16,887,809	19,941,396		-
Net Position - End of Year	<u>\$ 17,658,227</u>	<u>\$ 21,416,426</u>		<u>\$ 673,274</u>

Some amounts reported for business-type activities in the statement of net position are different because the net revenue (expense) of certain internal service funds are included with business-type activities.

(49,393)
\$ 2,196,055

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Wastewater Pollution Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Charges for Services	\$ 4,101,787	\$ 3,670,563	\$ 7,772,350	\$ 1,556,734
Cash Payments to Employees for Services	(1,121,334)	(922,183)	(2,043,517)	-
Cash Payments for Goods and Services	(1,885,652)	(812,393)	(2,698,045)	-
Cash Payments for Claims	-	-	-	(1,662,405)
Cash Payments for Contract Services	(328)	(327)	(655)	(81,500)
Net Cash Provided by (Used in) Operating Activities	<u>1,094,473</u>	<u>1,935,660</u>	<u>3,030,133</u>	<u>(187,171)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Tap-In Fees	<u>2,950</u>	<u>3,670</u>	<u>6,620</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Debt	(224,809)	(484,734)	(709,543)	-
Interest Paid on Debt	(5,922)	(39,524)	(45,446)	-
Payments for Capital Acquisitions	<u>(145,827)</u>	<u>(836,385)</u>	<u>(982,212)</u>	<u>-</u>
Net Cash Used in Capital and Related Financing Activities	<u>(376,558)</u>	<u>(1,360,643)</u>	<u>(1,737,201)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,777</u>
Net Increase (Decrease) in Cash and Cash Equivalents	720,865	578,687	1,299,552	(154,394)
Cash and Cash Equivalents - Beginning of Year	<u>3,341,654</u>	<u>7,789,874</u>	<u>11,131,528</u>	<u>897,001</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 4,062,519</u></u>	<u><u>\$ 8,368,561</u></u>	<u><u>\$ 12,431,080</u></u>	<u><u>\$ 742,607</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 771,295	\$ 1,504,830	\$ 2,276,125	\$ (174,204)
Adjustments:				
Depreciation	427,399	480,634	908,033	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	21,841	9,665	31,506	-
Materials and Supplies Inventory	9,327	15,167	24,494	-
Net OPEB Asset	(39,308)	(31,283)	(70,591)	-
Deferred Outflows of Resources - Pension	262,495	196,225	458,720	-
Deferred Outflows of Resources - OPEB	57,261	43,755	101,016	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(50,563)	(22,010)	(72,573)	-
Contracts Payable	(892)	-	(892)	-
Accrued Wages and Benefits	3,815	8,980	12,795	-
Retainage Payable	-	(20,913)	(20,913)	-
Intergovernmental Payable	(8,674)	(3,533)	(12,207)	-
Claims Payable	-	-	-	(12,967)
Compensated Absences Payable	(24,155)	(10,515)	(34,670)	-
Net Pension Liability	(344,680)	(243,614)	(588,294)	-
Net OPEB Liability	(31,181)	(24,203)	(55,384)	-
Deferred Inflows of Resources - Pension	28,758	22,907	51,665	-
Deferred Inflows of Resources - OPEB	11,735	9,568	21,303	-
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,094,473</u></u>	<u><u>\$ 1,935,660</u></u>	<u><u>\$ 3,030,133</u></u>	<u><u>\$ (187,171)</u></u>

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
DECEMBER 31, 2024**

	Private-Purpose Trust Funds	Custodial Funds	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 114,950	\$ 63,672	\$ 178,622
Cash and Cash Equivalents in Segregated Accounts	-	2,050	2,050
Accounts Receivable	-	651	651
Total Assets	<u>114,950</u>	<u>66,373</u>	<u>181,323</u>
NET POSITION			
Restricted For:			
Individuals, Organizations, and Other Governments	114,950	66,373	181,323
Total Net Position	<u>\$ 114,950</u>	<u>\$ 66,373</u>	<u>\$ 181,323</u>

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Private-Purpose Trust Funds	Custodial Funds	Total
ADDITIONS			
Interest, Dividends, and Other	\$ 403	\$ -	\$ 403
Fines and Forefeitures for Other Governments	-	453,832	453,832
Miscellaneous	561	-	561
Total Additions	<u>964</u>	<u>453,832</u>	<u>454,796</u>
DEDUCTIONS			
Fines and Forefeitures Distributions to Other Governments	<u>-</u>	<u>446,245</u>	<u>446,245</u>
Net Increase in Fiduciary Net Position	964	7,587	8,551
Net Position - Beginning of Year	113,986	58,786	172,772
Net Position - End of Year	<u><u>\$ 114,950</u></u>	<u><u>\$ 66,373</u></u>	<u><u>\$ 181,323</u></u>

The notes to the basic financial statements are an integral part of this statement

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1: DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

The City of Bellevue (the City) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a council-mayor government. The City provides police protection within its boundaries and fire protection to its citizens and adjacent townships. The City provides basic utilities in the form of water and wastewater treatment. The City constructs and maintains streets and sidewalks within the City. The City also operates and maintains parks.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financials are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the City is obligated for the debt of the organization. Components units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt, or the levying of their taxes. The City has no component units.

The City has not included the Bellevue City School District in its financial statements, as the City has no control over the District's operations and the District is an autonomous entity.

Management believes the financial statements included in this report represent all of the funds of the City over which the City has the ability to exercise direct operating control.

The City is associated with one insurance pool that is further described in Note 18 and one jointly governed organization as described in Note 24.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except the 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 segment of the business-type activities of the City and for each program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of 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 function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City programs 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 a more detailed level. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are presented by fund type.

B. Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental Funds

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

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for 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.

Park and Recreation - The Park and Recreation fund is used to account for park and recreation of the City

Capital Improvement - The Capital Improvement fund is used to account for capital improvements throughout the City.

The other governmental funds of the City account for grants and other resources, debt service, and capital projects whose uses are restricted, committed, or assigned to a particular purpose.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus on the determination of the changes in net position, financial position, and cash flows, and are classified as either enterprise or internal service.

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

Water Fund - This fund accounts for the financial transactions related to water operations of the City.

Wastewater Pollution Fund - This fund accounts for the financial transactions related to the water treatment service operations of the City.

Internal Service Fund

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

The City's internal service fund is used to account for the self-insurance program for medical, prescription, dental and vision benefits.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds and private-purpose trust funds. The City's private purpose trust funds are for monies set aside for certain cemetery lots and the Community Center. Custodial funds are used to account for the State Highway Patrol Transfer Fund, the Municipal Court Agency Fund, and the DUI/Indigent Drivers Alcohol Fund.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position.

Fund Financial Statements

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a Balance Sheet, which generally includes only current assets, and current liabilities and deferred inflows of resources, and a Statement of Revenues, Expenditures, and Changes in Fund Balances, which reports on the sources (i.e., revenues and others financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus (Continued)

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds 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 outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the year for which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of 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 non-exchange 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: municipal income taxes, state levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants, fees, rentals, and miscellaneous account revenue.

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. The City recorded unearned revenue related to building deposits and unspent moneys from ARPA funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include pension and OPEB reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 14 and 15.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows 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. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amount became available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position and are explained in Notes 14 and 15.

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.

Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budget

An annual appropriated budget is legally required to be prepared for all funds of the City other than Custodial funds. Council passes appropriations at the fund, department, and object level. Line item appropriations may be transferred between the accounts with the approval of the City Auditor. Council must approve any revisions in the budget that alter total fund appropriations. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements:

Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, for the period January 1 to December 31 of the following year. This requirement was waived by the Sandusky County Auditor for calendar year 2024. All City funds are legally required to be budgeted. The purpose of the tax budget is to reflect the need for existing or increased tax rate.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2024.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budget (Continued)

Annual Budget

The City Auditor submits a temporary budget in November and an annual “permanent” budget to Council in February. The annual budget contains an estimate of the revenues and expenditures of each fund and department of the City for the next fiscal year. As part of the process, Council holds public meetings throughout its review. The annual budget serves as the basis for appropriations (the appropriated budget) in each fund.

Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31.

The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of Council.

The budget figures, which appear in the statement of budgetary comparisons, present the original and final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to constrain that portion of the applicable appropriation and to determine and maintain legal compliance.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

F. Equity in Pooled Cash and Cash Equivalents and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund balance 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 balance sheet.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Equity in Pooled Cash and Cash Equivalents and Investments (Continued)

During 2024, investments were limited to STAR Ohio, the State Treasurer's investment pool. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2024, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during year 2024 amounted to \$1,584,932, which included \$533,175 assigned from other funds of the City.

The City has segregated bank accounts and cash with fiscal agent for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts" and "Cash and Cash Equivalents with Fiscal Agent" since they are not required to be deposited into the City's treasury.

For purposes of the Statement of Cash Flows and for presentation on the balance sheet, 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.

G. Inventories

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

Inventories of governmental and proprietary funds are stated at cost. For all funds, cost is determined on a first in, first out basis. Inventory in governmental funds consist of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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 government 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. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$7,500. The City's infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

Improvements are capitalized; and 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 life 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:

	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Land Improvements	15 years	15 years
Buildings and Improvements	40 years	40 years
Furniture, Fixtures, and Equipment	10 years	10 years
Vehicles	5 years	5 years
Infrastructure	80 years	80 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no interfund receivables or payables.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

City recognizes a liability for compensated absences for leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The City's policy permits employees to accumulate earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick - The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The city adopted the last-in first-out (LIFO) method for sick time used.

K. 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, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund statements only to the extent they will be paid with current, expendable, available resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until 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.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Pensions/Other Postemployment Benefits (OPEB)

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

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:

Non-spendable: The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance (Continued)

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution) of City Council. 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 or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purpose with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

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

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

N. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position (Continued)

Net position is reported as restricted when there are limitations imposed on their 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.

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

O. 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 water and wastewater treatment charges for services and charges to other funds for insurance. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

P. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable”.

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.

Q. 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.

R. Estimates

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

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES AND ACCOUNTABILITY

A- CHANGES IN ACCOUNTING PRINCIPLES

During the fiscal year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements and Guides:

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62. GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. For fiscal year 2024, the Park and Recreation fund's presentation were adjusted from nonmajor to major due to the funds meeting the quantitative threshold for a major fund. These changes are separately displayed in the financial statements.

GASB Statement No. 101, Compensated Absences The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. For the City, GASB 101 increased the liability and the cumulative effects of compensated absence related expense on net position as shown on the table below.

	Funds				Government-Wide
	General Fund	Park and Recreation	Capital Improvement	Nonmajor Governmental	Governmental Activities
December 31, 2023 as previously reported	\$ 12,883,942	\$ -	\$ 949,881	\$ 5,041,533	\$ 31,236,916
Change from major to nonmajor fund	-	765,520	-	(765,520)	-
Change from nonmajor to major fund	-	-	-	-	(40,502)
Change in accounting principle (GASB 101)	-	-	-	-	-
December 31, 2023 as restated	<u>\$ 12,883,942</u>	<u>\$ 765,520</u>	<u>\$ 949,881</u>	<u>\$ 4,276,013</u>	<u>\$ 31,196,414</u>

	Water	Wastewater Pollution Fund	Total
December 31, 2023 as previously reported	\$ 16,905,984	\$ 19,960,021	\$ 36,866,005
Change in accounting principle (GASB 101)	(18,175)	(18,625)	(36,800)
December 31, 2023 as restated	<u>\$ 16,887,809</u>	<u>\$ 19,941,396</u>	<u>\$ 36,829,205</u>

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES AND ACCOUNTABILITY (Continued)

B- ACCOUNTABILITY

At December 31, 2024, the DUI/Law Enforcing Agency Fund had deficit balance of \$194. The deficit fund balance, is the result of adjustment for accrued liabilities in the fund. The General Fund is liable for any deficit in this fund and previous transfers when cash is needed, not when accruals occur.

NOTE 4: BUDGET BASIS OF ACCOUNTING

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

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund and Park and Recreation are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, or assigned fund balances (GAAP basis).

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

	<u>General</u>	<u>Park and Recreation</u>
GAAP Basis	\$ 3,360,394	\$ (68,551)
Increase (Decrease) Due to:		
Revenue Accruals	173,817	(7,068)
Expenditure Accruals	9,158	19,489
Outstanding Encumbrances	<u>(30,367)</u>	<u>(24,988)</u>
Budgetary Basis	<u>\$ 3,513,002</u>	<u>\$ (81,118)</u>

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 5: DEPOSITS AND INVESTMENTS

State statutes classify deposits 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 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 bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

6. The State Treasurer's investment pool (STAR Ohio);
7. Securities lending agreements in which the City lends securities and the eligible institution agrees to exchange either securities described in division (A) or (B) or cash or both securities and cash, equal value for equal value;
8. High grade commercial paper in an amount not to exceed five percent of the City's total average portfolio;
9. Bankers' acceptances and commercial paper notes in an amount not to exceed two hundred and seventy days and in an amount not to exceed ten percent of the City's total average portfolio; and
10. Under limited circumstances, corporate debt interests rated in any of the three highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by 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.

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 the delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash On Hand

At year-end, \$1,080 was on hand throughout the City in the form of drawer change and petty cash.

Cash with Fiscal Agent

The City utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "cash with fiscal agent." The amount held by the fiscal agent at December 31, 2024 was \$742,607.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

Deposits

At December 31, 2024, the carrying amount of the City's deposits was \$5,422,377 (including \$2,050 in cash in segregated accounts of the court). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2024, \$246,447 of the City's bank balance of \$5,634,036 was covered by Federal Depository Insurance and \$5,387,587 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover the deposits. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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 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 Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS 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.

Investments

Statutes authorize the City to invest in obligations of U.S. Treasury, agencies and instrumentalities, bonds and other obligations of this State, and repurchase agreements. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following table identify the City's recurring fair value measurement as of December 31, 2024. As previously discussed, Star Ohio is reported at its net asset value.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Investment Maturity (In Years)</u>	<u>Credit Rating</u>	<u>Net Asset Value</u>
STAR Ohio	< 3 months	AAAm	<u>\$29,385,223</u>

Credit Risk: Standard and Poor's has assigned STAR Ohio an AAAm rating. The City does not have a formal policy limiting credit risk.

Concentration of Credit Risk: Credit risk also can arise in the wake of a failure to adequately diversify investments. The City places no limit on the amount that may be invested in any one issuer.

	<u>Reconciliation to the Statement of Net Position</u>
City's Deposits	\$5,422,377
Petty Cash and Drawer Change	1,080
Cash with Fiscal Agent	742,607
Investments	<u>29,385,223</u>
Total	<u>\$35,551,287</u>
Per Statement of Net Position	
Government-wide Statement of Net Position:	
Equity in Pooled Cash and Cash Equivalents	\$34,628,008
Cash and Cash Equivalents with Fiscal Agent	742,607
Statement of Fiduciary Net Position:	
Equity in Pooled Cash and Cash Equivalents	178,622
Cash and Cash Equivalents in Segregated Accounts	<u>2,050</u>
Total	<u>\$35,551,287</u>

NOTE 6: RECEIVABLES

Receivables at December 31, 2024, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements, shared revenues, and accounts. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2024 for real and public utility property taxes represents collections of the 2023 taxes.

2024 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2024, the lien date. State law at 35 percent of appraised market value establishes assessed values. 2024 real property taxes are collected in and intended to finance 2025.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 6: RECEIVABLES (Continued)

Property Taxes (Continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2024, was \$6.60 per \$1,000 of assessed value. The 2024 assessed values of real estate and public utility property upon which the 2024 property tax receipts were based on are as follows:

	Sandusky County	Huron County	Erie County
Real Estate:			
Residential/Agricultural	\$67,798,750	\$41,730,210	\$181,780
Commercial/Industrial	25,046,050	17,416,470	-
Total Real Estate	<u>92,844,800</u>	<u>59,146,680</u>	<u>181,780</u>
Public Utility:			
Real	15,780	44,593,980	-
Personal	3,288,170	6,638,370	-
Total Public Utility	<u>3,303,950</u>	<u>51,232,350</u>	<u>-</u>
Total Assessed Valuation	<u><u>\$96,148,750</u></u>	<u><u>\$110,379,030</u></u>	<u><u>\$181,780</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Bellevue. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real property, tangible personal property, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor were they levied to finance 2024 operations.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 6: RECEIVABLES (Continued)

Income Taxes

Early in 2018, voters approved an increase in the income tax rate from 1.5 percent to 2.0 percent effective July 1, 2018. The City levies income tax on substantially all income earned within the City. In addition, City residents employed in municipalities having a lower income tax rate must pay the difference to the City. Additional increases in the income tax rate require voter approval. The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 3 percent.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

The income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council.

Intergovernmental Receivable

A summary of intergovernmental receivable follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government Revenue Assistance	\$ 130,373
Homestead and Rollback	43,098
Gasoline Tax	234,927
Motor Vehicle License Fees	29,473
Permissive Motor Vehicle License Tax	3,167
Total	<u>\$ 441,038</u>

NOTE 7: REVOLVING LOAN PROGRAM

The revolving loan program offers incentives in the form of low-interest revolving loans, deferred loan payments, and interest and tax abatements which are offered to attract prospective firms. The City loans money for the purchase or improvement of industrial sites. The following notes receivable are secured by mortgages on the property and equipment purchased with loan monies. There are no outstanding loan balances.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 8: RISK MANAGEMENT

The City has elected to provide employee medical, prescription, and vision benefits through a self-insurance program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risk loss in this program. The Jefferson Health Plan is the consortium that administers the provision of medical, vision, hospitalization, and prescription drug benefits for all claims incurred during membership in the Jefferson Health Plan. A third-party administrator chosen by the City then provides administrative services to the Jefferson Health Plan in connection with the processing and payment of claims. The City of Bellevue is responsible for the first \$35,000 in claims, the Jefferson Health Plan is responsible for claims from \$35,000 to \$1,500,000 and claims over \$1,500,000 are covered with stop-loss coverage with a carrier chosen by the consortium. Fixed premiums for the calendar year are determined by the Jefferson Health Plan.

As of June 30, 2024 (most recent information available), the claims liability of \$69,333 reported in the internal service fund is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

Changes in claims activity for the two fiscal years is as follows:

	Beginning of Year	Current Year Claims	Claim Payments	End of Year
2023	\$ 43,167	\$ 1,354,393	\$ (1,315,260)	\$ 82,300
2024	82,300	853,226	(866,193)	69,333

The City is exposed to various risks of loss related to torts; theft, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City contracted with Gardner & Strayer Insurance Group, Inc. for property, fleet, crime, and liability insurance which are insured through Public Entities Pool. Coverage provided is as follows:

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 8: RISK MANAGEMENT (Continued)

Building and Contents-		
Replacement Cost	\$2,500 Deductible, 90% Co-Insured	\$ 71,906,646
Commercial General Liability	Per Occurrence Limit	5,000,000
Public Officials Liability	Each Claim	5,000,000
Employment Practices	Each Claim	5,000,000
Back Wages Limit		5,000,000
Law Enforcement	Each Claim (\$5,000 Deductible)	5,000,000
Firefighter	\$5,000 Deductible	5,000,000
Automobile:		
Comprehensive	\$500 Deductible	5,065,250
Collision	\$500 Deductible	5,065,250
Inland Marine	\$500 Deductible	2,326,965
Boiler and Machinery	\$250 Deductible	70,128,875
Electronic Data Processing	\$500 Deductible, Replacement Cost	140,454
Blanket Bond	Per Occurrence Limit	50,000
Commercial General Liability	Per Occurrence	5,000,000
Public Employee Dishonesty	\$500 Deductible/Per Loss	50,000
Forgery or Alteration	\$250 Deductible/Per Loss	50,000
Theft, Disappearance, and Destruction	\$250 Deductible, Inside and Outside	50,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from last year.

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**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 9: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<u>Governmental Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,226,745	\$ 30,154	\$ -	\$ 1,256,899
Construction in Progress	708,248	661,112	(346,914)	1,022,446
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,934,993</u>	<u>691,266</u>	<u>(346,914)</u>	<u>2,279,345</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	347,124	399,608	-	746,732
Buildings and Improvements	7,123,561	-	-	7,123,561
Furniture, Fixtures, and Equipment	3,586,491	510,941	-	4,097,432
Vehicles	3,879,529	314,332	(74,879)	4,118,982
Infrastructure:				
Street Base	3,979,369	-	-	3,979,369
Street Surface	9,515,333	490,441	(261,157)	9,744,617
Street Storm Sewers	1,382,137	-	-	1,382,137
Street Lighting	2,667,190	-	-	2,667,190
Culverts	63,266	-	-	63,266
Sidewalks	1,207,563	-	-	1,207,563
<i>Total Capital Assets Being Depreciated</i>	<u>33,751,563</u>	<u>1,715,322</u>	<u>(336,036)</u>	<u>35,130,849</u>
<i>Total Capital Assets at Cost</i>	<u>35,686,556</u>	<u>2,406,588</u>	<u>(682,950)</u>	<u>37,410,194</u>
Less: Accumulated Depreciation:				
Land Improvements	(162,553)	(30,155)	-	(192,708)
Buildings and Improvements	(5,004,876)	(126,136)	-	(5,131,012)
Furniture, Fixtures, and Equipment	(2,005,559)	(326,674)	-	(2,332,233)
Vehicles	(2,925,436)	(223,761)	71,135	(3,078,062)
Infrastructure:				
Street Base	(2,002,700)	(49,742)	-	(2,052,442)
Street Surface	(4,467,107)	(434,356)	253,455	(4,648,008)
Street Storm Sewers	(639,090)	(17,277)	-	(656,367)
Street Lighting	(2,452,223)	(105,074)	-	(2,557,297)
Culverts	(5,932)	(791)	-	(6,723)
Sidewalks	(221,386)	(40,252)	-	(261,638)
<i>Total Accumulated Depreciation</i>	<u>(19,886,862)</u>	<u>(1,354,218) *</u>	<u>324,590</u>	<u>(20,916,490)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>13,864,701</u>	<u>361,104</u>	<u>(11,446)</u>	<u>14,214,359</u>
<i>Total Governmental Activities</i>				
Capital Asset, Net	<u>\$ 15,799,694</u>	<u>\$ 1,052,370</u>	<u>\$ (358,360)</u>	<u>\$ 16,493,704</u>

*Depreciation expense was charged to governmental functions as follows:

General Government - Legislative	\$ 249,797
Security of Persons and Property	221,536
Public Health and Welfare	1,150
Transportation	741,177
Leisure Time Activities	140,558
<u>Total Depreciation Expense</u>	<u>\$ 1,354,218</u>

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 9: CAPITAL ASSETS (Continued)

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<u>Business-Type Activities - Water Fund:</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,781,297	\$ -	\$ -	\$ 1,781,297
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,781,297</u>	<u>-</u>	<u>-</u>	<u>1,781,297</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	20,297	-	-	20,297
Buildings and Improvements	10,051,325	-	-	10,051,325
Furniture, Fixtures, and Equipment	1,282,092	-	-	1,282,092
Vehicles	682,057	-	-	682,057
Infrastructure	11,728,828	145,827	-	11,874,655
<i>Total Capital Assets Being Depreciated</i>	<u>23,764,599</u>	<u>145,827</u>	<u>-</u>	<u>23,910,426</u>
<i>Total Capital Assets at Cost</i>	<u>25,545,896</u>	<u>145,827</u>	<u>-</u>	<u>25,691,723</u>
Less: Accumulated Depreciation:				
Land Improvements	(15,560)	(1,353)	-	(16,913)
Buildings and Improvements	(6,381,600)	(160,415)	-	(6,542,015)
Furniture, Fixtures, and Equipment	(682,276)	(90,995)	-	(773,271)
Vehicles	(402,551)	(39,512)	-	(442,063)
Infrastructure	(4,053,292)	(135,124)	-	(4,188,416)
<i>Total Accumulated Depreciation</i>	<u>(11,535,279)</u>	<u>(427,399)</u>	<u>-</u>	<u>(11,962,678)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>12,229,320</u>	<u>(281,572)</u>	<u>-</u>	<u>11,947,748</u>
Total Business-Type Activities				
Capital Assets - Water Fund, Net	<u>\$ 14,010,617</u>	<u>\$ (281,572)</u>	<u>\$ -</u>	<u>\$ 13,729,045</u>

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**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 9: CAPITAL ASSETS (Continued)

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<u>Business-Type Activities -</u>				
<u>Wastewater Pollution Fund:</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 418,915	\$ -	\$ -	\$ 418,915
Construction in Progress *1	3,174,060	893,361	(4,067,421)	-
<i>Total Capital Assets Not Being Depreciated</i>	<u>3,592,975</u>	<u>893,361</u>	<u>(4,067,421)</u>	<u>418,915</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	610,675	-	-	610,675
Buildings and Improvements	8,264,137	-	-	8,264,137
Furniture, Fixtures, and Equipment	2,200,260	15,133	-	2,215,393
Vehicles	653,604	-	-	653,604
Infrastructure	9,043,586	3,995,312	-	13,038,898
<i>Total Capital Assets Being Depreciated</i>	<u>20,772,262</u>	<u>4,010,445</u>	<u>-</u>	<u>24,782,707</u>
<i>Total Capital Assets at Cost</i>	<u>24,365,237</u>	<u>4,903,806</u>	<u>(4,067,421)</u>	<u>25,201,622</u>
Less: Accumulated Depreciation:				
Land Improvements	(253,480)	(18,089)	-	(271,569)
Buildings and Improvements	(3,927,509)	(199,972)	-	(4,127,481)
Furniture, Fixtures, and Equipment	(1,732,554)	(79,721)	-	(1,812,275)
Vehicles	(301,221)	(44,811)	-	(346,032)
Infrastructure	(3,935,872)	(138,041)	-	(4,073,913)
<i>Total Accumulated Depreciation</i>	<u>(10,150,636)</u>	<u>(480,634)</u>	<u>-</u>	<u>(10,631,270)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>10,621,626</u>	<u>3,529,811</u>	<u>-</u>	<u>14,151,437</u>
Total Business-Type Activities				
Capital Assets - Wastewater Pollution, Net	<u>\$ 14,214,601</u>	<u>\$ 4,423,172</u>	<u>\$ (4,067,421)</u>	<u>\$ 14,570,352</u>
Business-type Activities Capital Assets, Net	<u>\$ 28,225,218</u>	<u>\$ 4,141,600</u>	<u>\$ (4,067,421)</u>	<u>\$ 28,299,397</u>

* Certain project expenses were expensed.

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**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 10: COMPENSATED ABSENCES

The City accrues unpaid vacation as it is earned and certain portions of sick leave pay as payment becomes probable. Sick leave accumulates at various rates as defined by City policy and union contracts. Up to three times a year, employees may choose to convert sick leave to cash to be paid at various rates of pay and various percentages of current pay, subject to City policy and union contracts, provided the total accrued and unused sick leave hours does not fall below a certain minimum hour specified in the union contract. Employees who have one year of service, are entitled to receive pay for all accrued but unused sick leave upon resignation or retirement paid at various rates of pay and various percentages of current pay, subject to City policy and union contracts. At December 31, 2024, a liability has been recognized in the accompanying financial statements for sick leave for employees in the amount \$603,268.

A liability for accrued compensatory time, holiday, personal leave, and vacation for \$167,378 has been recognized. City employees earn vacation at varying rates depending on the length of service as defined by City policy and union contracts. Vacation leave may be accumulated up to a maximum of three times the employee's annual vacation allowance. In the case of death, termination, or retirement, an employee (or his estate) is paid for the unused vacation.

NOTE 11: LONG-TERM LIABILITIES

	Restated Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Governmental Activities:					
Financed Purchase Payable	\$ 119,575	\$ 12,068	\$ 27,647	\$ 103,996	\$ 28,569
Net Pension Liability					
OPERS	3,186,430	-	345,376	2,841,054	-
OP&F	4,251,093	254,057	-	4,505,150	-
Total Net Pension Liability	7,437,523	254,057	345,376	7,346,204	-
Net OPEB Liability					
OPERS	63,513	-	63,513	-	-
OP&F	318,628	-	21,836	340,464	-
Total Net OPEB Liability	382,141	-	85,349	340,464	-
Compensated Absences*	525,615	-	18,708	506,907	114,095
Total Government Activities	\$ 8,345,279	\$ 254,057	\$ 449,433	\$ 8,297,571	\$ 142,664

continued

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 11: LONG-TERM LIABILITIES (Continued)

	Restaed Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Business-Type Activities:					
Direct Borrowings - O.W.D.A Loans:					
\$7,627,918 WWTP Improvement	\$ 1,622,335	\$ -	\$ 449,220	\$ 1,173,115	\$ 460,520
\$959,814 WWTP Basins Rehab	285,187	-	189,295	95,892	95,892
<i>Total O.W.D.A Loans</i>	<u>1,907,522</u>	<u>-</u>	<u>638,515</u>	<u>1,269,007</u>	<u>556,412</u>
Financed Purchase Payable	142,158	-	71,028	71,130	71,130
Net Pension Liability - OPERS	2,778,591	-	588,294	2,190,297	-
Net OPEB Liability - OPERS	55,384	-	55,384	-	-
Compensated Absences*	298,409	-	34,670	263,739	53,283
Total Business-Type Activities	<u>\$ 5,182,064</u>	<u>\$ -</u>	<u>\$ 1,387,891</u>	<u>\$ 3,794,173</u>	<u>\$ 680,825</u>

*- The change in compensated absences above is a net change for the year

In 2014, The City entered into a loan agreement between the City and the Ohio Water Development Authority for construction of a wastewater treatment facility. This loan will be paid from resources of the Wastewater Pollution Fund.

In 2019, The City entered into a loan agreement between the City and the Ohio Water Development Authority for the rehabilitation of the water filtration plant treatment basins.

The City's direct borrowings from OWDA contain a provision that in an event of default the amount of such default shall bear interest at the default rate from the due date until the date of payment. In addition to the in interest, a late charge of one percent on the amount of cash default shall also be paid to OWDA by the City from the pledged revenues for failure to make the payment.

During 2018, the City received \$1,225,000 in donated assets from Bellevue Recreation Club and then entered into a loan agreement in the amount of \$156,735 with Bellevue Recreation Club to make the remaining loan payments on the collateralized and donated assets. This loan will be repaid from the Park and Recreation Fund.

Compensated absences will be paid from the following funds; the General Fund, Street Construction, and Park and Recreation special revenue funds and the Water and Wastewater Pollution funds. There is no repayment schedule for the net pension and net OPEB liability. However, employer pension contributions are made from the following funds; the General Fund, Street Construction, Cemetery, Park and Recreation, the Police Pension, Fire Pension, and Firefighter Grant Special Revenue Funds, and the Water and Wastewater Pollution Funds. See notes 14 and 15 for further information regarding net pension and net OPEB liability and note 12 for further information regarding the financed purchases payable.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 11: LONG TERM LIABILITIES (Continued)

The annual requirements to amortize all debts outstanding as of December 31, 2024 are as follows:

<u>Business-Type Activities</u>		
<u>OWDA Loans</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	556,412	27,306
2026	472,105	14,883
2027	240,490	3,006
Totals	<u>\$ 1,269,007</u>	<u>\$ 45,195</u>

At the end of the year, the City had one outstanding project provided through OWDA loan funding that is not complete and the final amortization schedule is not provided as of year-end.

NOTE 12: FINANCED PURCHASE PAYABLE

The City has entered into lease agreements as lessee for financing which relate to various equipment and Vector Truck. These lease agreements qualify as financed purchase payable for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of inception date.

	<u>Governmental Activities</u>	<u>Business Activities</u>
Assets		
Vehicles	\$ -	\$ 463,709
Equipment	146,365	-
Less accumulated depreciation	(20,333)	(176,209)
Total	<u>\$ 126,032</u>	<u>\$ 287,500</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2024, were as follows:

<u>Year</u>	<u>Governmental Activities</u>	<u>Business Activities</u>
2025	\$ 28,210	\$ 72,887
2026	32,774	-
2027	33,264	-
2028	19,404	-
Total Minimum Lease Payments	113,652	72,887
Less: Amount Representing Interest	(9,656)	(1,757)
Present Value of Minimum Lease Payments	<u>\$ 103,996</u>	<u>\$ 71,130</u>

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 12: FINANCED PURCHASE PAYABLE (Continued)

In the event of default, the lender may require the City to promptly deliver possession of the collateral to the lender, and may recover all expenses and collection costs which the lender has incurred.

NOTE 13: CONDUIT DEBT

To provide for the acquisition, construction, and equipping of a replacement acute care hospital in the City and other hospital facilities, the City issued Hospital Revenue Bonds dated August 26, 2004. These bonds are special limited obligations of the City, payable solely from the revenues, as defined in the Bond Indenture, and other amounts derived from its ownership, leasing, sale, or subleasing of the existing facilities. The bonds do not constitute a debt or pledge of the faith and credit of the City or the State, and accordingly have not been reported in the accompanying financial statements. In February 2012, the City refunded the old issue of \$8,474,000 for refunding bonds of \$8,310,000 for the purpose of reducing the interest that would be paid from 9 percent to 5.75 percent. As of December 31, 2024, Hospital Facilities Revenue Bonds outstanding aggregated \$7,290,000.

NOTE 14: DEFINED BENEFIT PENSION PLANS

Net Pension Liability and Net Pension

The net pension liability/(asset) reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. 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 Pension Plan.

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

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

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan. 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.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
2023-2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
2023-2024 Actual Contribution Rates			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>10.0 %</u>

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

**CITY OF BELLEVUE
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NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

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

The City's contractually required contributions was \$447,002 for 2024. Of this amount, \$34,098 is reported as an intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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 and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

	<u>Police</u>	<u>Firefighters</u>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

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

The City's contractually required contribution to OP&F was \$291,889 for 2024. Of this amount, \$21,423 is reported as an intergovernmental payable.

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

The net pension liability/asset for OPERS was measured as of December 31, 2023, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.020193%	0.000000%	0.0447529%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.019218%	0.000000%	0.0466305%	
Change in Proportionate Share	-0.000975%	0.000000%	0.0018776%	
Proportionate Share of the Net Pension Liability	\$ 5,031,351	\$ -	\$ 4,505,150	\$ 9,536,501
Pension Expense	\$ 510,142	\$ 3,409	\$ 471,575	\$ 985,126

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 1,015,543	\$ -	\$ 510,532	\$ 1,526,075
Differences between expected and actual experience	82,233	-	144,632	226,865
Changes of assumptions	-	-	284,722	284,722
Changes in proportion and differences between City contributions and proportionate share of contributions	19,423	17,595	291,810	328,828
City contributions subsequent to the measurement date	447,002	-	291,889	738,891
Total Deferred Outflows of Resources	<u>\$ 1,564,201</u>	<u>\$ 17,595</u>	<u>\$ 1,523,585</u>	<u>\$ 3,105,381</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 50,387	\$ 50,387
Changes of assumptions	-	-	68,416	68,416
Changes in proportion and differences between City contributions and proportionate share of contributions	122,000	1,058	32,382	155,440
Total Deferred Inflows of Resources	<u>\$ 122,000</u>	<u>\$ 1,058</u>	<u>\$ 151,185</u>	<u>\$ 274,243</u>

\$738,891 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Year Ending December 31:				
2025	\$ 186,081	\$ 3,407	\$ 290,572	\$ 480,060
2026	305,665	3,409	317,273	626,347
2027	648,063	3,347	405,584	1,056,994
2028	(144,610)	3,372	22,007	(119,231)
2029	-	2,580	43,765	46,345
Thereafter	-	422	1,310	1,732
Total	<u>\$ 995,199</u>	<u>\$ 16,537</u>	<u>\$ 1,080,511</u>	<u>\$ 2,092,247</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented on the next page:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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 investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023

**CITY OF BELLEVUE
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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the 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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability(Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$ 7,920,699	\$ 5,031,351	\$ 2,628,254

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2023, are presented below:

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

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.

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.

The most recent experience study was completed December 31, 2021.

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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023 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	4.10
International Equity	12.40	4.90
Core Fixed Income *	25.00	2.40
U.S. Inflation Linked Bonds *	15.00	2.10
High Yield Fixed Income	7.00	4.10
Private Real Estate	12.00	5.40
Private Markets	10.00	7.30
Midstream Energy Infrastructure	5.00	5.80
Private Credit	5.00	6.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

* levered 2.5x

** Geometric mean, 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 their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent.

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(CONTINUED)**

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

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 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 5,967,407	\$ 4,505,150	\$ 3,289,141

NOTE 15: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability or asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees - of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes that any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium.

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NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed 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.

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

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:

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
 - a. Group A – 30 years of qualifying service credit at any age;

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NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

- b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
- c. Group C – 32 years of qualifying service credit and minimum age 55; or,
- d. 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 do not 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, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52	31	55	32
	Any	30	60	20	60	20

The Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 requiring 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.

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NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

Employer contribution rates are expressed as a percentage of covered payroll. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2024 was 2.0 percent and 4.0 percent, respectively.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,608 for 2023.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. A summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits.

Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively.

**CITY OF BELLEVUE
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is 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. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$7,269 for 2024. Of this amount, \$532 is reported as an intergovernmental payable.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

**CITY OF BELLEVUE
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset Prior Measurement Date	0.018857%	0.0447529%	
Proportion of the Net OPEB Liability/Asset Current Measurement Date	0.017967%	0.0466305%	
Change in Proportionate Share	<u>-0.000890%</u>	<u>0.0018776%</u>	
Proportionate Share of the Net OPEB (Asset)	\$ (162,156)	\$ -	\$ (162,156)
Proportionate Share of the Net OPEB Liability	\$ -	\$ 340,464	\$ 340,464
OPEB Expense	\$ (20,054)	\$ (14,480)	\$ (34,534)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 97,384	\$ 25,141	\$ 122,525
Differences between expected and actual experience	-	16,373	16,373
Changes of assumptions	41,748	117,155	158,903
Changes in proportion and differences between City contributions and proportionate share of contributions	4,509	49,860	54,369
City contributions subsequent to the measurement date	<u>1,608</u>	<u>7,269</u>	<u>8,877</u>
Total Deferred Outflows of Resources	<u>\$ 145,249</u>	<u>\$ 215,798</u>	<u>\$ 361,047</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 23,080	\$ 62,570	\$ 85,650
Changes of assumptions	69,706	219,249	288,955
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,575</u>	<u>48,394</u>	<u>51,969</u>
Total Deferred Inflows of Resources	<u>\$ 96,361</u>	<u>\$ 330,213</u>	<u>\$ 426,574</u>

\$8,877 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows on the next page:

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2025	\$ (3,924)	\$ (31,838)	\$ (35,762)
2026	8,282	(13,184)	(4,902)
2027	75,806	(2,484)	73,322
2028	(32,884)	(20,017)	(52,901)
2029	-	(25,535)	(25,535)
Thereafter	-	(28,626)	(28,626)
Total	<u>\$ 47,280</u>	<u>\$ (121,684)</u>	<u>\$ (74,404)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan 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, 2022, rolled forward to the measurement date of December 31, 2023. 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 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.70 percent
Prior Measurement Date:	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	3.77 percent
Prior Measurement Date:	4.05 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2038
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036

**CITY OF BELLEVUE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB 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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00 %</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measure the OPEB asset on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher 6.70 than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$ 89,116	\$ (162,156)	\$ (370,300)

**CITY OF BELLEVUE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ (168,890)	\$ (162,156)	\$ (154,516)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.07 percent
Prior measurement date	4.27 percent
Cost of Living Adjustments	2.2 percent simple

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.

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 the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized on the next page:

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HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

<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	4.10
Non-US Equity	12.40	4.90
Core Fixed Income *	25.00	2.40
U.S. Inflation Linked Bonds *	15.00	2.10
High Yield Fixed Income	7.00	4.10
Private Real Estate	12.00	5.40
Private Markets	10.00	7.30
Midstream Energy Infrastructure	5.00	5.80
Private Credit	5.00	6.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

* levered 2.x

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 in core fixed income and asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2037, and the Municipal Bond Index rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 15: DEFINED BENEFIT OPEB PLANS (Continued)

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 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$ 419,357	\$ 340,464	\$ 274,020

NOTE 16: COMMITMENTS

The City's encumbrance policy is for fiscal year end individual encumbrances exceeding \$100 to be considered significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund, or as Restricted or Committed Fund Balance in the non-general funds. Significant encumbrances as of December 31, 2024 were:

<u>Fund</u>	<u>Outstanding Encumbrances</u>
Major Governmental Funds:	
General	\$ 27,274
Park and Recreation	22,790
Capital Improvement	16,060
Non-major Governmental Funds	305,187
	<u>\$ 371,311</u>

NOTE 17: CONTINGENT LIABILITIES

A. Federal and State Grants

The City participates in several federally and state assisted programs. These programs are subject to financial and compliance audits by grantor agencies or their representative. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

B. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Law Director, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 18: INSURANCE POOL

Ohio Rural Water Association Workers' Compensation Group Rating Plan

The City participates in a group-rating plan for workers' compensation as established under §4123.29 of the Ohio Revised Code. The Ohio Rural Water Association Workers' Compensation Group Rating Plan was established through the Ohio Rural Water Association (ORWA) as an insurance purchasing pool.

Sedgwick Claims Management Services, Inc. serves as the Third Party Administrator for the Plan. Each year, the participating members pay an enrollment fee to Sedgwick Claims Management to cover the costs of administering the program, as well as a fee to be a member of ORWA. Employee health benefits are provided through the Ohio Bureau of Workers' Compensation and medical management is provided by Sedgwick Managed Care Ohio.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
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(CONTINUED)**

NOTE 19: FUND BALANCES

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

Fund Balances	General	Park and Recreation	Capital Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>					
Inventories	\$ -	\$ -	\$ -	\$ 31,874	\$ 31,874
Unclaimed Monies	300	-	-	-	300
<i>Total Nonspendable</i>	<u>300</u>	<u>-</u>	<u>-</u>	<u>31,874</u>	<u>32,174</u>
<i>Restricted for</i>					
Park and Recreation	-	696,969	-	-	696,969
Fire Pension	-	-	-	150,706	150,706
Firefighter Grant	-	-	-	26	26
Law Enforcement	-	-	-	179,980	179,980
Street Construction	-	-	-	541,884	541,884
State Highway Improvements	-	-	-	161,085	161,085
Motor Vehicle License	-	-	-	74,114	74,114
Cemetery	-	-	-	25,939	25,939
EMS Contract	-	-	-	738,164	738,164
Clerk of Court Computer	-	-	-	48,968	48,968
Railroad Crossing Improvement	-	-	-	35,966	35,966
Revolving Loans	-	-	-	499,886	499,886
Elm Street Drainage	-	-	-	532,393	532,393
Storm Water Pump Station	-	-	-	59,781	59,781
Drug Fine Trust	-	-	-	32,995	32,995
Probation Service	-	-	-	71,220	71,220
Bellevue Central Park	-	-	-	41,100	41,100
Police Training	-	-	-	35,477	35,477
Special Assessment Sewer	-	-	-	19,349	19,349
Special Assessment Water Main	-	-	-	4,027	4,027
K-9 Unit	53,099	-	-	52,405	105,504
<i>Total Restricted</i>	<u>53,099</u>	<u>696,969</u>	<u>-</u>	<u>3,305,465</u>	<u>4,055,533</u>
<i>Committed to</i>					
Capital Improvement	-	-	989,138	-	989,138
Street Sweeper	-	-	-	147,175	147,175
Special Fire Equipment	-	-	-	423,832	423,832
Paving Project	-	-	-	1,199,942	1,199,942
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>989,138</u>	<u>1,770,949</u>	<u>2,760,087</u>
<i>Assigned to</i>					
Purchases on Orders:					
Security of Person & Property	19,898	-	-	-	19,898
Community Development	43	-	-	-	43
General Government -					
Legislative and Executive	7,144	-	-	-	7,144
Judicial	189	-	-	-	189
<i>Total Assigned</i>	<u>27,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,274</u>
<i>Unassigned</i>	<u>16,163,663</u>	<u>-</u>	<u>-</u>	<u>(2,174)</u>	<u>16,161,489</u>
Total Fund Balances	<u>\$ 16,244,336</u>	<u>\$ 696,969</u>	<u>\$ 989,138</u>	<u>\$ 5,106,114</u>	<u>\$ 23,036,557</u>

**CITY OF BELLEVUE
HURON COUNTY, OHIO
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(CONTINUED)**

NOTE 20: INTERFUND TRANSFERS AND BALANCES

The following interfund transfers were made during 2024:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 2,074,947
Park and Recreation	50,000	-
Capital Improvement	1,244,947	-
Nonmajor Governmental Funds	780,000	-
Total	<u>\$ 2,074,947</u>	<u>\$ 2,074,947</u>

The General Fund made transfers to other governmental funds to subsidize various activities in those funds.

Interfund balances for the year ended December 31, 2024 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Funds:</u>		
General	\$ 194	\$ -
Nonmajor Governmental Funds	-	194
Total Governmental Funds	<u>\$ 194</u>	<u>\$ 194</u>

NOTE 21: TAX ABATEMENTS

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area in 1978. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements. Since that time additional land has been added. In 2016, any remaining land not already included in an area was added so that all land within the City was deemed to be a Community Reinvestment Area. The total CRA real property taxes exempted for the 100 active CRA agreements is approximately \$14,261,504.

NOTE 22: ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities, requiring the City to record an asset retirement obligation (ARO). There may be additional AROs related to public safety issues; however, these amounts are not reasonably estimable. Currently, there is significant uncertainty as to what items would need to be addressed; therefore, a reliable estimated amount could not be determined.

**CITY OF BELLEVUE
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(CONTINUED)**

NOTE 23: JOINTLY GOVERNED ORGANIZATION

The Regional Income Tax Agency (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 operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2024, the City paid RITA \$252,481 for income tax collection services.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS**

Traditional Plan	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.019218%	0.020193%	0.019829%	0.019885%
City's Proportionate Share of the Net Pension Liability	\$ 5,031,351	\$ 5,965,021	\$ 1,725,203	\$ 2,944,535
City's Covered Payroll	\$ 3,156,557	\$ 3,136,136	\$ 2,877,721	\$ 2,773,457
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.39%	190.20%	59.95%	106.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%
Combined Plan	2024	2023	2022	2021
City's Proportion of the Net Pension (Asset)	0.000000%	0.000000%	0.000000%	0.004572%
City's Proportionate Share of the Net Pension (Asset)	\$ -	\$ -	\$ -	\$ (13,198)
City's Covered Payroll	\$ -	\$ -	\$ -	\$ 20,150
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.018969%	0.019341%	0.020370%	0.020614%	0.020062%	0.019236%
\$ 3,749,352	\$ 5,297,108	\$ 3,195,658	\$ 4,681,089	\$ 3,474,990	\$ 2,320,076
\$ 2,669,500	\$ 2,630,907	\$ 2,686,200	\$ 2,664,350	\$ 2,496,950	\$ 2,366,150
140.45%	201.34%	118.97%	175.69%	139.17%	98.05%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
2020	2019	2018	2017	2016	2015
0.014625%	0.014392%	0.013912%	0.015706%	0.015380%	0.015611%
\$ (30,497)	\$ (16,093)	\$ (18,939)	\$ (8,741)	\$ (7,485)	\$ (6,010)
\$ 65,107	\$ 61,557	\$ 56,977	\$ 61,142	\$ 55,967	\$ 57,492
46.84%	26.14%	33.24%	14.30%	13.37%	10.45%
145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST TEN YEARS**

Police	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.0318276%	0.0313971%	0.0300189%	0.0294523%
City's Proportionate Share of the Net Pension Liability	\$ 3,074,989	\$ 2,982,425	\$ 1,875,404	\$ 2,007,790
City's Covered Payroll	\$ 1,013,142	\$ 948,447	\$ 852,700	\$ 809,142
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	303.51%	314.45%	219.94%	248.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%
Fire	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.0148029%	0.0133558%	0.0129169%	0.0126107%
City's Proportionate Share of the Net Pension Liability	\$ 1,430,161	\$ 1,268,668	\$ 806,971	\$ 859,683
City's Covered Payroll	\$ 382,894	\$ 327,809	\$ 287,957	\$ 291,698
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	373.51%	387.01%	280.24%	294.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.0259568%	0.0297260%	0.0321940%	0.0345660%	0.0361180%	0.0331210%
\$ 1,748,591	\$ 2,426,427	\$ 1,975,889	\$ 2,189,405	\$ 2,323,519	\$ 1,715,790
\$ 687,989	\$ 745,695	\$ 781,474	\$ 830,584	\$ 818,342	\$ 729,516
254.16%	325.39%	252.84%	263.60%	283.93%	235.20%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%
2020	2019	2018	2017	2016	2015
0.0118922%	0.0150700%	0.0157143%	0.0149700%	0.0162520%	0.0158640%
\$ 801,124	\$ 1,230,110	\$ 964,458	\$ 948,157	\$ 1,045,523	\$ 821,801
\$ 256,591	\$ 306,723	\$ 311,247	\$ 292,787	\$ 297,596	\$ 282,502
312.22%	401.05%	309.87%	323.84%	351.32%	290.90%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 447,002	\$ 441,918	\$ 439,059	\$ 402,881
Combined Plan	-	-	-	-
Total Required Contributions	\$ 447,002	\$ 441,918	\$ 439,059	\$ 402,881
Contributions in Relation to the Contractually Required Contribution	(447,002)	(441,918)	(439,059)	(402,881)
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll				
Traditional Plan	\$ 3,192,871	\$ 3,156,557	\$ 3,136,136	\$ 2,877,721
Combined Plan	\$ -	\$ -	\$ -	\$ -
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Traditional Plan	14.00%	14.00%	14.00%	14.00%
Combined Plan	12.00%	12.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 388,284	\$ 373,730	\$ 368,327	\$ 349,206	\$ 319,722	\$ 299,634
<u>2,821</u>	<u>9,115</u>	<u>8,618</u>	<u>7,407</u>	<u>7,337</u>	<u>6,716</u>
\$ 391,105	\$ 382,845	\$ 376,945	\$ 356,613	\$ 327,059	\$ 306,350
<u>(391,105)</u>	<u>(382,845)</u>	<u>(376,945)</u>	<u>(356,613)</u>	<u>(327,059)</u>	<u>(306,350)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,773,457	\$ 2,669,500	\$ 2,630,907	\$ 2,686,200	\$ 2,664,350	\$ 2,496,950
\$ 20,150	\$ 65,107	\$ 61,557	\$ 56,977	\$ 61,142	\$ 55,967
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - PENSION
OHIO POLICE AND FIRE PENSION FUND
LAST TEN YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Contractually Required Contributions</u>				
Police	\$ 210,156	\$ 192,497	\$ 180,205	\$ 162,013
Fire	<u>81,733</u>	<u>89,980</u>	<u>77,035</u>	<u>67,670</u>
Total Required Contributions	\$ 291,889	\$ 282,477	\$ 257,240	\$ 229,683
Contributions in Relation to the Contractually Required Contribution	<u>(291,889)</u>	<u>(282,477)</u>	<u>(257,240)</u>	<u>(229,683)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>City's Covered Payroll</u>				
Police	\$ 1,106,084	\$ 1,013,142	\$ 948,447	\$ 852,700
Fire	\$ 347,800	\$ 382,894	\$ 327,809	\$ 287,957
<u>Pension Contributions as a Percentage of Covered Payroll</u>				
Police	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 153,737	\$ 130,718	\$ 141,682	\$ 148,480	\$ 157,811	\$ 155,485
<u>68,549</u>	<u>60,299</u>	<u>72,080</u>	<u>73,143</u>	<u>68,805</u>	<u>69,935</u>
\$ 222,286	\$ 191,017	\$ 213,762	\$ 221,623	\$ 226,616	\$ 225,420
<u>(222,286)</u>	<u>(191,017)</u>	<u>(213,762)</u>	<u>(221,623)</u>	<u>(226,616)</u>	<u>(225,420)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 809,142	\$ 687,989	\$ 745,695	\$ 781,474	\$ 830,584	\$ 818,342
\$ 291,698	\$ 256,591	\$ 306,723	\$ 311,247	\$ 292,787	\$ 297,596
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT YEARS (1)**

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability/Asset	0.017967%	0.018857%	0.018511%	0.018710%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (162,156)	\$ 118,897	\$ (579,793)	\$ (323,320)
City's Covered Payroll	\$ 3,165,064	\$ 3,144,501	\$ 2,886,621	\$ 2,801,685
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.12%	3.78%	-20.09%	-11.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	107.76%	94.79%	128.23%	115.57%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

	2020		2019		2018		2017
	0.018149%		0.018475%		0.019470%		0.019770%
\$	2,506,848	\$	2,408,704	\$	2,114,299	\$	1,996,837
\$	1,957,333	\$	2,699,721	\$	2,757,287	\$	2,732,582
	128.07%		89.22%		76.68%		73.08%
	47.80%		46.33%		54.14%		54.04%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST EIGHT YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's Proportion of the Net OPEB Liability	0.0466305%	0.0447529%	0.0429357%	0.0420630%
City's Proportionate Share of the Net OPEB Liability	\$ 340,464	\$ 318,628	\$ 470,612	\$ 445,665
City's Covered Payroll	\$ 1,396,036	\$ 1,276,256	\$ 1,140,657	\$ 1,100,840
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	24.39%	24.97%	41.26%	40.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.86%	45.42%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 1,608	\$ 340	\$ 334	\$ 356
Contributions in Relation to the Contractually Required Contribution	<u>(1,608)</u>	<u>(340)</u>	<u>(334)</u>	<u>(356)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 3,233,064	\$ 3,165,064	\$ 3,144,501	\$ 2,886,621
Contributions as a Percentage of Covered Payroll	0.05%	0.01%	0.01%	0.01%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 323	\$ 226	\$ 290	\$ 27,877	\$ 54,784	\$ 51,058
<u>(323)</u>	<u>(226)</u>	<u>(290)</u>	<u>(27,877)</u>	<u>(54,784)</u>	<u>(51,058)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,801,685	\$ 1,957,333	\$ 2,699,721	\$ 2,757,287	\$ 2,732,582	\$ 2,560,113
0.01%	0.01%	0.01%	1.01%	2.00%	1.99%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - OPEB
OHIO POLICE AND FIRE PENSION FUND
LAST TEN YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 7,269	\$ 6,980	\$ 6,381	\$ 5,704
Contributions in Relation to the Contractually Required Contribution	<u>(7,269)</u>	<u>(6,980)</u>	<u>(6,381)</u>	<u>(5,704)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 1,453,884	\$ 1,396,036	\$ 1,276,256	\$ 1,140,657
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 5,504	\$ 4,723	\$ 5,262	\$ 5,464	\$ 5,617	\$ 5,580
<u>(5,504)</u>	<u>(4,723)</u>	<u>(5,262)</u>	<u>(5,464)</u>	<u>(5,617)</u>	<u>(5,580)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,100,840	\$ 944,580	\$ 1,052,418	\$ 1,092,721	\$ 1,123,371	\$ 1,115,938
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2024.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2024.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected 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 changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2024.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, 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.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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. 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. 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. For 2024, the Municipal Bond Index Rate decreased from 3.65 percent to 3.38 percent.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020-2024. For 2019, see below regarding changes to stipend-based model.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84 percent to 4.27 percent (b) the depletion year of OPEB assets is projected in year 2036 (c) 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. 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. 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. 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. For 2024, the changes of assumptions were: (a) the single discount rate changed from 4.27 to 4.07 (b) the depletion year of OPEB assets is projected in year 2038.

**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 Bellevue
Huron County
3000 Seneca Industrial Parkway
Bellevue, Ohio 44811-8709

To the Members of City Council:

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 Bellevue, Huron County, Ohio, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2025, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we considered a significant deficiency as item **2024-001**.

Report on Compliance and Other Matters

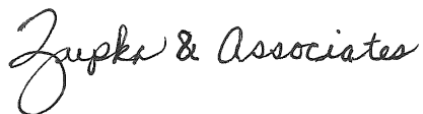
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City's Response to Findings

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

Purpose of This Report

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



Zupka & Associates
Certified Public Accountants

June 26, 2025

**CITY OF BELLEVUE
HURON COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Finding No. 2024-001 – Significant Deficiency – Cemetery Receipting Process and Segregation of Duties

Statement of Condition/Criteria

Segregation of duties has been defined as a basic building block of sustainable risk management and internal controls for an organization. The principle is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable. During our review, we noted a lack of segregation of duties in the receipting process as follows:

The Service Department Secretary is responsible for all the steps in the Cemetery receipt process prior to the Finance Department's involvement. This includes receiving the monies, preparing a detailed report of monies collected, and taking the monies to the Finance Department for deposit and recording in the City's accounting system. Upon review of the Cemetery Department by the City, it was determined that undeposited monies up to 5 years old were being held at the Department and not recorded in the City's accounting system. The total amount was not material for financial statement reporting purposes.

Cause/Effect

Failure to implement segregation of duties or compensating controls could result in errors, irregularities, and/or fraud occurring and remaining undetected for an extended period of time.

Recommendation

We recommend the City implement segregation of duties or compensating oversight controls to address the increased risks of only one employee being responsible for the receipting process.

Client Response

The Service Department Secretary is tasked with managing city permits. Included within this process is accepting payment. Monies collected are taken to the Finance Department for deposit and entry into the accounting system. Detailed reporting of activity is through the ZonePro software package. Reconciliation of receipts to recorded activity is performed by the Finance Superintendent or her staff every couple of days. Similarly, there is designated individual within the Street Department who is tasked with managing cemetery services (lots sold, burials, etc.). Included within this process is accepting payment. Monies collected are taken to the Finance Department for deposit and entry into the accounting system. Reconciliation of receipts is performed by the Finance Superintendent as activity is recorded.

**CITY OF BELLEVUE
HURON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The prior audit report, as of December 31, 2023, included a noncompliance finding.

Finding Number	Finding Summary	Status	Additional Information
2023-001	Noncompliance - Self-Insurance Program	Corrected	None

Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF BELLEVUE

HURON 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 10/16/2025

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